

# Report

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Report to:	<b>Education Resources Committee</b>
Date of Meeting:	<b>22 November 2011</b>
Report by:	<b>Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)</b>

Subject:	<b>Revenue Budget Monitoring 2011/2012 - Education Resources</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide information on the actual expenditure measured against the revenue budget for the period 1 April 2011 to 30 September 2011 for Education Resources
- ◆ provide a forecast for the year to 31 March 2012.

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the breakeven position on Education Resources' revenue budget, as detailed in Appendix A of the report, and the forecast to 31 March 2012 of break even be noted.
- (2) that the proposed budget virements be approved.

## 3. Background

- 3.1. This is the second revenue budget monitoring report presented to the Education Resources Committee for the financial year 2011/2012.
- 3.2. The report details the financial position for Education Resources in Appendix A, along with variance explanations.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

- 5.1. As at 30 September 2011, there is a breakeven position against the phased budget. The forecast for the revenue budget to 31 March 2012 is a breakeven position.
- 5.2. Virements are also proposed to realign budgets across budget categories. These movements have been detailed in Appendix A to this report.

## **6. Other Implications**

- 6.1. The main risk associated with the Council's Revenue Budget is that there is a significant overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken where appropriate.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.

## **7. Equality Impact Assessment and Consultation Arrangements**

- 7.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

**Larry Forde**

**Executive Director (Education Resources)**

13 October 2011

### **Link(s) to Council Values/Improvement Themes/Objectives**

- ◆ Accountable, Effective and Efficient

### **Previous References**

- ◆ Education Resources Committee, 13 September 2011

### **List of Background Papers**

- ◆ Financial ledger and budget monitoring results to 30 September 2011

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Education Resources Committee: Period Ended 30 September 2011 (No.7)

## Education Resources Summary

<b>Budget Category</b>	<b>Annual Budget</b>	<b>Forecast for Year</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion 30/09/11</b>	<b>Actual 30/09/11</b>	<b>Variance 30/09/11</b>		<b>% Variance 30/09/11</b>	<b>Note</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>			
Employee Costs	193,608	193,608	0	87,361	87,511	(150)	over	(0.2%)	1, a, b
Property Costs	32,590	32,590	0	23,352	23,190	162	under	0.7%	2, b,c
Supplies & Services	12,728	12,728	0	8,831	8,889	(58)	over	(0.7%)	3, a
Transport & Plant	9,562	9,562	0	4,054	4,054	0	-	0.0%	
Administration Costs	983	983	0	530	530	0	-	0.0%	a
Payments to Other Bodies	12,358	12,358	0	5,936	5,890	46	under	0.8%	4, a
Payments to Contractors	28,810	28,810	0	11,927	11,927	0	-	0.0%	b
Transfer Payments	1,015	1,015	0	931	931	0	-	0.0%	a
Financing Charges	730	730	0	600	600	0	-	0.0%	
<b>Total Controllable Exp.</b>	<b>292,384</b>	<b>292,384</b>	<b>0</b>	<b>143,522</b>	<b>143,522</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	
<b>Total Controllable Inc.</b>	<b>(5,279)</b>	<b>(5,279)</b>	<b>0</b>	<b>(2,928)</b>	<b>(2,928)</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	<b>a</b>
<b>Net Controllable Exp.</b>	<b>287,105</b>	<b>287,105</b>	<b>0</b>	<b>140,594</b>	<b>140,594</b>	<b>0</b>	<b>-</b>	<b>0.0%</b>	

**Variance Explanations****1. Employee Costs**

This overspend is due to a previous increase in average salaries relating mainly to School Support and Early Years employees. Pressure will continue to exist within this budget and will be monitored throughout the financial year.

**2. Property Costs**

This underspend is due to savings in a property cost budget used for ad hoc requirements outwith planned expenditure and will be used to manage budget pressures elsewhere within the Resource.

**3. Supplies and Services**

This overspend relates to computer equipment purchases and is a result of the introduction of the cashless system for school meals.

**4. Payments to Other Bodies**

This underspend is due to a currently lower than anticipated requirement for external school places, which is a demand led service. This position will continue to be monitored.

**Budget Virements**

- Additional income from a number of external organisations: Employee Costs £0.035m; Supplies and Services £0.005m; Administration Costs £0.004m; Payments to Other Bodies £0.070m; Transfer Payments £0.008m; Income (£0.122m).
- Realignment of budget in respect of rates poundage and Public Private Partnership costs. Net Effect 0: Employee Costs (£0.733m);, Property Costs £0.333m, and Payments to Contractors £0.400m.
- Transfer from centrally held funds in respect of an increase in rate poundage £0.376m: Property Costs £0.376m