

Report

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Report to:	Education Resources Committee
Date of Meeting:	13 September 2011
Report by:	Chief Executive and Executive Director (Education Resources)

Subject:	Revenue Budget Monitoring 2011/2012 - Education Resources
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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 5 August 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 breakeven be noted.
- (2) that the proposed budget virements be approved.

3. Background

- 3.1. This is the first revenue budget monitoring report presented to the Education Resources Committee for the financial year 2011/2012. Further reports will follow throughout the financial year.
- 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 5 August 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 and with other Resources. 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.

Archibald Strang
Chief Executive

Larry Forde
Executive Director (Education Resources)

16 August 2011

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

- ◆ Accountable, Effective and Efficient

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 5 August 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 5 August 2011 (No.5)

Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 05/08/11	Actual 05/08/11	Variance 05/08/11		% Variance 05/08/11	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	194,297	194,297	0	58,398	58,548	(150)	over	(0.3%)	1, a, b, c, d, f, h, i
Property Costs	32,026	32,026	0	12,833	12,672	161	under	1.3%	2, a, b, e, g, j, k
Supplies & Services	12,623	12,623	0	8,378	8,439	(61)	over	(0.7%)	3, a, b, c, j
Transport & Plant	9,547	9,547	0	2,505	2,505	0	-	0.0%	a, j
Administration Costs	923	923	0	357	357	0	-	0.0%	a, b
Payments to Other Bodies	12,415	12,415	0	4,557	4,507	50	under	1.1%	4, a, b, f
Payments to Contractors	28,410	28,410	0	7,179	7,179	0	-	0.0%	b
Transfer Payments	989	989	0	744	744	0	-	0.0%	a, b
Financing Charges	696	696	0	566	566	0	-	0.0%	b
Total Controllable Exp.	291,926	291,926	0	95,517	95,517	0	-	0.0%	
Total Controllable Inc.	(5,190)	(5,190)	0	(2,440)	(2,440)	0	-	0.0%	a
Net Controllable Exp.	286,736	286,736	0	93,077	93,077	0	-	0.0%	

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 £1.551m; Property Costs £0.023m; Supplies and Services £0.155m; Transport and Plant £0.010m; Administration Costs £0.005m; Payments to Other Bodies £0.268m; Transfer Payments £0.339m; Income (£2.351m).
- Realignment of budgets to bring in line with SEEMIS system: Employee Costs (£0.081m); Property Costs (£0.495m); Supplies and Services (£0.102m); Administration £0.015m; Payments to Other Bodies £0.160m; Payments to Contractors £0.484m; Transfer Payments £0.029m; Financing Charges (£0.010m).
- Transfer to Corporate Resources for centralisation of Training function (£0.127m): Employee Costs (£0.126m); Supplies and Services (£0.001m).
- Additional General Revenue Grant received for Curriculum for Excellence £0.232m: Employee Costs £0.232m.
- Transfer from Housing and Technical Resources for Legislative Compliance £0.309m: Property Costs £0.309m.
- Transfer from centrally held funds in respect of the Living Wage Allocation £0.374m: Employee Costs £0.367m; Payments to Other Bodies £0.007m.
- Transfer from Reserves in respect of Priority Repairs £0.232m: Property Costs £0.232m.
- Additional General Revenue Grant received for Protection of Teachers Posts £0.924m: Employee Costs £0.924m.
- Transfer from centrally held funds in respect of National Diagnostics Project £0.117m: Employee Costs £0.117m.
- Transfer from Community Resources in respect of Living Wage budget for Facilities Management £0.822m: Property Costs £0.493m; Supplies and Services £0.316m; Transport and Plant £0.013m.
- Transfer from Reserves in respect of repairs at Cathkin Pitches £0.100m: Property Costs £0.100m.