

Report

Report to:	Education Resources Committee
Date of Meeting:	6 September 2022
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)

Subject:	Education Resources - Revenue Budget Monitoring 2022/2023
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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 2022 to 15 July 2022 for Education Resources

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 be noted; and
- (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 2022/2023.

3.2. The report details the financial position for Education Resources in Appendix A, along with variance explanations.

4. Scottish Attainment Challenge Funding

4.1. The current budget for Education contains £11.540m awarded for Pupil Equity Funding (PEF) and £1.473m for Strategic Equity Funding (SEF) as part of the schools programme - (SEF funding replaces Scottish Attainment Challenge (SAC) funding from 2022/2023). Total budget for 2022/2023 is £13.013m and this is contained within this reported position.

4.2. In relation to PEF funding, the £11.540m represents £2.590m 2021/2022 carry forward and £8.950m for the 2022/2023 allocation. Spend and commitment to date as at 15 July 2022 is £3.672m, with £7.868m still to spend. This includes known staff costs for the period April 2022 to August 2022, however staffing for the new school session from 15 August 2022 is not yet reflected within this position. Committee will be updated with the spend position for 2022/23 throughout the year.

4.3. In relation to SEF funding, spend and commitment to date is £1.010m with £0.463m still to spend. Staff costs to 31 March 2023 are reflected within this position, and as this is a specific grant allocation, funding is received based on actual spend. Committee will continue to be updated with the spend position for 2022/2023 throughout the year.

5. Employee Implications

5.1. None

6. Financial Implications

6.1. As at 15 July 2022, there is a breakeven position against the phased budget.

6.2. Variance explanations are outlined in Appendix A to this report. 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.

7. Climate Change, Sustainability and Environmental Implications

7.1. There are no implications for climate change, sustainability or environment in terms of the information contained in the report

8. Other Implications

8.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. 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.

9. Equality Impact Assessment and Consultation Arrangements

9.1. 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.

9.2. 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)

Tony McDaid

Executive Director (Education Resources)

8 August 2022

Link(s) to Council Values/Priorities/Outcomes

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ None

List of Background Papers

♦ Financial ledger and budget monitoring results to 15 July 2022

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 15 July 2022 (No.4)

Education Resources Summary

<u>Budget Category</u>	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 15/07/22	Actual 15/07/22	Variance 15/07/22		% Variance 15/07/22	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	297,906	297,906	0	81,545	81,370	175	under	0.2%	1, a, c, e, f, g, h, i
Property Costs	26,684	26,684	0	3,176	3,176	0	-	0.0%	a, h, i
Supplies & Services	17,843	17,843	0	2,563	2,537	26	under	1.0%	a, e, f, g, h, i
Transport & Plant	11,958	11,958	0	2,913	3,153	(240)	over	(8.2%)	2, d, h, i
Administration Costs	1,033	1,033	0	389	377	12	under	3.1%	h, i
Payments to Other Bodies	28,296	28,296	0	8,880	9,155	(275)	over	(3.1%)	3, a, c, f, h, i
Payments to Contractors	38,776	38,776	0	9,617	9,617	0	-	0.0%	b, h
Transfer Payments	2,250	2,250	0	1,599	1,599	0	-	0.0%	h, i
Financing Charges	355	355	0	64	64	0	-	0.0%	h, i
Total Controllable Exp.	425,101	425,101	0	110,746	111,048	(302)	over	(0.3%)	
Total Controllable Inc.	(45,487)	(45,487)	0	(3,483)	(3,785)	302	over recovered	8.7%	4, f, g, h, i
Net Controllable Exp.	379,614	379,614	0	107,263	107,263	0	-	0.0%	

Variance Explanations

1. The position represents an underspend in Early Years core staff costs due to vacancies and turnover of staff.
2. The overspend is mainly due to the cost of school transport for both ASN and mainstream schools.
3. This overspend reflects the increased cost of placements for pupils with additional support needs in Independent Schools.
4. The over recovery of income relates to increased income from Early Years Childcare fees.

Budget Virements

- a. Transfers from reserves in relation to GIRFEC, Pupil Equity Fund, NQT Teachers, ICT and Learning Recovery. Net Effect £6.469m: Employee Costs £2.844m, Property Costs £0.579m, Supplies and Services £2.998m and Payments to Other Bodies £0.048m.
- b. Transfer from corporate items in relation to PPP inflation. Net Effect £0.800m: Payments to Contractors £0.800m.
- c. Establish budget to reflect the receipt of General Revenue Grant funding for Summer Holiday Food and Childcare Programme and Easter Study Support. Net Effect £0.840m: Employee Costs £0.263m and Payments to Other Bodies £0.577m.
- d. Transfer from Community and Enterprise in respect of Fuel Inflation. Net Effect £0.031m: Transport and Plant £0.031m.
- e. Transfer to Finance and Corporate in respect of Child Disability Payment administration and Procurement savings. Net Effect (£0.069m): Employee Costs (£0.015m) and Supplies and Services (£0.054m).
- f. Establish budget for additional income received for DYW, Computing Science, Milk and Healthy Snack Scheme, STEM, Youth Music Initiative and Youth Employability funding. Net Effect £0.000m: Employee Costs £0.962m, Supplies and Services £0.519m, Payments to Other Bodies £0.812m and Income (£2.293m).
- g. Realignment of budget to reflect Pupil Equity Fund and Strategic Equity Fund programme delivery. Net Effect £0.000m: Employee Costs £2.710m, Supplies and Services (£1.128m) and Income (£1.582m).
- h. Realignment of budget to reflect current service delivery. Net Effect £0.000m: Employee Costs £2.154m, Property Costs £0.354m, Supplies and Services (£1.381m), Transport (£0.564m), Administration Costs (£0.008m), Payments to Other Bodies (£1.570m), Payments to Contractors £0.471m, Transfer Payments £0.004m, Financing Charges (£0.032m) and Income £0.572m.
- i. Realignment of Education Maintenance Allowance budget and DMS. Net Effect £0.000m: Employee Costs £0.160m, Property Costs £0.0023m, Supplies and Services (£0.861m), Transport and Plant £0.043m, Administration Costs £0.211m, Payments to Other Bodies £0.472m, Transfer Payments £0.286m, Financing Charges (£0.026m) and Income (£0.308m).