

Report

Report to:	Education Resources Committee
Date of Meeting:	18 August 2020
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)

Subject:	Education Resources - Revenue Budget Monitoring 2020/2021
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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 to 19 June 2020 for Education Resources.

2. Recommendation(s)

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

- (1) that an overspend of £0.839m as at 19 June 2020 on Education Resources' revenue budget as detailed in Appendix A of the report 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 2020/2021.

3.2. The report details the financial position for Education Resources in Appendix A, along with variance explanations and outlines the specific costs incurred in relation to the Resources' COVID response in Appendix B.

4. Scottish Attainment Challenge Funding

4.1. The current budget for Education contains £9.685m awarded for Pupil Equity Funding (PEF) and £1.995m for Scottish Attainment Challenge (SAC) as part of the schools programme. Total budget for 2020/2021 is £11.680m and this is contained within this reported position.

4.2. In relation to PEF funding, the £9.685m represents £1.422m 2019/2020 carry forward and £8.263m for the 2020/2021 allocation. Spend and commitment to date as at 19 June 2020 is £2.331m, with £7.354m still to spend. This includes known staff costs for the period April 2020 to August 2020 however staffing for the new school session from 11 August 2020 is not yet reflected within this position.

4.3. 2019/2020 PEF funding is fully committed to spend by the end of the academic year June 2020 in line with the guidance. Committee will be updated with the spend position for 2020/2021 throughout the year.

- 4.4. In relation to SAC funding, spend and commitment to date is £0.141m with £1.854m still to spend. Staff costs are not yet reflected within this position. As this is a specific grant allocation, funding will be received based on actual spend. Committee will be updated with the spend position for 2020/2021 throughout the year.

5. Employee Implications

- 5.1. None

6. Financial Implications

- 6.1. As at 19 June 2020, there is an overspend of £0.839m against the phased budget.
- 6.2. Variance explanations are outlined in appendix A and this overspend in the main is COVID related and reflects an overspend relating to the increased cost of supply teachers in relation to the application of the SNCT guidance on payment arrangements for staff; expenditure incurred in the operation of the hubs for key worker children since lockdown; costs of sanitising stations and various cleaning supplies in preparation for schools returning in August and a reduction in budgeted income from Early Years fees and music tuition, all as a result of the ongoing pandemic.
- 6.3. 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 the environment in terms of the information contained in this report.

8. Other Implications

- 8.1. The main risk associated with the Council's Revenue Budget is that there is an 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.
- 8.2. There are no implications for sustainability in terms of the information contained in this report.

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)

23 July 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ None

List of Background Papers

- ◆ Financial ledger and budget monitoring results to 19 June 2020

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 19 June 2020 (No.3)

Education Resources Summary

Budget Category	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/06/20	Actual 19/06/20	Variance 19/06/20		% Variance 19/06/19	Note
	£000	£000	£000	£000	£000	£000			
Employee Costs	271,269	271,269	0	54,400	54,873	(473)	over	(0.9%)	1,a,d
Property Costs	25,426	25,426	0	1,917	1,996	(79)	over	(4.1%)	2,d
Supplies & Services	17,700	17,700	0	1,000	1,016	(16)	over	(1.6%)	b,c,d
Transport & Plant	9,585	9,585	0	1,275	1,274	1	under	0.1%	d
Administration Costs	1,078	1,078	0	198	218	(20)	over	(10.1%)	d
Payments to Other Bodies	27,905	27,905	0	4,711	4,730	(19)	over	(0.4%)	a,d
Payments to Contractors	35,547	35,547	0	4,940	4,940	0	-	0.0%	d
Transfer Payments	1,914	1,914	0	328	328	0	-	0.0%	d
Financing Charges	389	389	0	49	49	0	-	0.0%	d
Total Controllable Exp.	390,813	390,813	0	68,818	69,424	(606)	over	(0.9%)	
Total Controllable Inc.	(41,233)	(41,233)	0	(1,614)	(1,381)	(233)	under recovered	(14.4%)	3,d
Net Controllable Exp.	349,580	349,580	0	67,204	68,043	(839)	over	(1.2%)	

Variance Explanations

1. The overspend is due to the increased cost of supply teachers in the financial year to date in relation to SNCT guidance on payment arrangements for staff during the ongoing pandemic.
2. The overspend is due to expenditure incurred on sanitising stations and various cleaning supplies in preparation for schools return in August partially offset by rates rebates received in relation to expenditure incurred last financial year.
3. The under recovery of income relates to reduced income received from Early Years fees and music tuition in the financial year to date as a result of the ongoing pandemic.

Budget Virements

- a. Transfers from reserves in relation to ongoing staff commitments in relation to Kearsy Campus transition; GIRFEC; MCR Pathway; Pathfinder and Support Services staffing. Net Effect £0.872m: Employee Costs £0.808m, Payments to Other Bodies £0.064m.
- b. Transfer from reserves in relation to PEF 19/20 carry forward: Supplies & Services £1.422m.
- c. Funding received from Scottish Government in respect of Digital Inclusion. Net Effect £0.216m: Supplies & Services £0.216m.
- d. Realignment of DMS. Net Effect £0.000m: Employee Costs (£3.565m), Property Costs £0.233m, Supplies and Services (£2.597m), Transport and Plant £0.027m, Administration Costs £0.196m, Payments to Other Bodies £5.625m, Payments to Contractors £0.001m, Transfer Payments £0.277m, Financing Charges £0.053m, Income (£0.250m).

SOUTH LANARKSHIRE COUNCIL

Revenue Budget Monitoring Report

Education Resources Committee: Period Ended 19 June 2020 (No.3)

Education Resources COVID

	Annual Budget	Forecast for Year	Annual Forecast Variance	Budget Proportion 19/06/20	Actual 19/06/20	Variance 19/06/20		% Variance 19/06/20	Note
	£000	£000	£000	£000	£000	£000			
<u>Budget Category</u>									
Employee Costs	0	0	0	0	477	(477)	over	n/a	1
Property Costs	0	0	0	0	112	(112)	over	n/a	2
Supplies & Services	0	0	0	0	19	(19)	over	n/a	
Transport & Plant	0	0	0	0	0	0	-	n/a	
Administration Costs	0	0	0	0	19	(19)	over	n/a	
Payments to Other Bodies	0	0	0	0	22	(22)	over	n/a	
Payments to Contractors	0	0	0	0	0	0	-	n/a	
Transfer Payments	0	0	0	0	0	0	-	n/a	
Financing Charges	0	0	0	0	0	0	-	n/a	
Total Controllable Exp.	0	0	0	0	649	(649)	over	n/a	
Total Controllable Inc.	0	0	0	0	0	0	-	n/a	
Net Controllable Exp.	0	0	0	0	649	(649)	over	n/a	

Variance Explanations

1. The overspend is due to the increased cost of supply teachers in the financial year to date in relation to SNCT guidance on payment arrangements for staff during the ongoing pandemic.
2. The overspend is due to expenditure incurred on sanitising stations and various cleaning supplies in preparation for schools return in August.