
Report To:	Education & Communities Committee	Date:	13 June 2017
Report By:	Chief Financial Officer and Corporate Director Education, Communities and Organisational Development	Report No:	FIN/36/17/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education 2016/17 Revenue Budget- Probable Out-Turn as at 31 March 2017		

1.0 PURPOSE

- 1.1 To advise the Committee of the 2016/17 Probable Out-Turn for the Revenue Budget as at 31 March 2017.

2.0 SUMMARY

- 2.1 The total Education budget for 2016/17, excluding planned carry forward for Earmarked Reserves, is £73,217,250. The School Estate Management Plan accounts for £14,633,000 of the total Education budget. The latest projection is an underspend of £798,000 (1%), an increase of £172,000 since the last Committee.

- 2.2 The main reasons for the 2016/17 projected underspend are –

- (a) Projected underspend of £444,000 for Teachers Employee Costs. £328,000 of this is due to the number of teachers employed in Primary and Secondary schools being less than budget for the majority of this Financial Year and a reduction in the use of Supply Teachers. The Teacher's turnover budget has been increased by £239,000 for 2017/18 as part of the Council budget approved in February 2017.
- (b) Projected underspend of £147,000 for Non Teachers Employee Costs. £30,000 of this underspend is due to the early achievement of a budget saving. The balance of £117,000 is mainly due to vacancies within Early Years Education and Community Learning and Development.
- (c) Projected underspend of £34,000 for Non Domestic Rates due to Empty Relief for Kilmacolm and St Patrick's Primaries while refurbishment and construction work has taken place.
- (d) Projected underspend of £97,000 for Contract Cleaning within schools following the early implementation of operational efficiencies by Environmental and Commercial Services.
- (e) Projected overspend of £21,000 for repairs to kitchen equipment within schools.
- (f) Projected overspend of £59,000 for recharges from IT Services for Line Rental, primarily for schools internet connections.
- (g) Projected underspend of £24,000 for Hospital Tuition.

(h) Projected £65,000 over recovery of School Meal Income.

2.3 Earmarked Reserves for 2016/17, excluding those for Asset Plans and Strategic Funds, total £1,400,000 of which £564,000 is projected to be spent in the current financial year. Spend to date per profiling was expected to be £735,000, therefore year to date expenditure is £171,000 or 23.3% behind phased spend. The majority of the slippage relates to payments to The Beacon due to final retention for construction work not yet being released.

3.0 RECOMMENDATION

3.1 That the Committee note the probable out-turn of an underspend of £798,000 for the 2016/17 Education Revenue budget as at 31 March 2017.

Alan Puckrin
Chief Financial Officer

Wilma Bain
Corporate Director Education,
Communities & Organisational Development

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise the Committee of the probable out-turn of the 2016/17 Revenue Budget and highlight the main issues contributing to the projected underspend of £798,000.

5.0 2016/17 PROJECTION

- 5.1 The total Education budget for 2016/17, excluding planned carry forward for Earmarked Reserves, is currently £73,217,250. This is an increase of £308,000 from the approved budget. Appendix 1 gives details of the budget movement responsible for this increase.
- 5.2 The main issues to highlight in relation to the 2016/17 projected underspend of £798,000 are:

Employee Costs - Teachers

The total budget for Teachers Employee Costs is £38,991,000 and the latest projection is an underspend of £444,000 or 1.1%, an increase in underspend of £79,000 since the last Committee. £30,000 of the projected underspend relates to a saving due to the secondment of a Quality Improvement Officer (QIO) to the Attainment Challenge, £30,000 relates to a vacant post within Early Years Education and £56,000 relates to the delay in filling vacant posts within Garvel School and Psychological Services. The balance of £328,000 is due to the number of teachers employed in Primary and Secondary schools being less than budget for the majority of this Financial Year and a reduction in the use of Supply Teachers. However, it should be noted that all schools are operating with their full complement of teachers per the current staffing formula. It was agreed as part of the 2017/18 budget process to increase the turnover target for teachers by £239,000.

Employee Costs – Non Teachers

The total budget for Non Teacher Employee costs is £16,030,000 and the latest projection is an underspend of £147,000 or 0.9%. The early achievement of the Business Support in Schools budget saving accounts for £30,000 of the projected underspend. Early Years Education has a projected underspend of £92,000 and Community Learning & Development a projected underspend of £75,000, both due to delays in filling vacant posts. ASN Education has a projected overspend of £20,000.

Non Domestic Rates

The budget for Non Domestic Rates is £3,268,580 and the latest projection is an underspend of £34,000. This is due to Empty Relief for Kilmacolm and St Patrick's Primaries while refurbishment and construction work has taken place.

Contract Cleaning

The total budget for Contract Cleaning is £1,346,830 and the latest projection is an underspend of £97,000, a decrease in underspend of £10,000 since last Committee. A budget saving of £100,000 for the 2017/18 Contract Cleaning budget was approved by Policy & Resources Committee on 20 September 2016. This saving has now been achieved early.

ASN Budgets

A number of budget lines exist for providing resources to ASN Education. The total budget for ASN Transport, ASN Placements, ASN Resources and Income from Other Local Authorities in 2017/18 is £667,510. The latest combined projected out turn for these budget lines is an underspend of £97,000. It was agreed as part of the 2017/18 budget process to create an Earmarked Reserve with this underspend which will be available to Education Services in the event of demand lead pressures on ASN budgets in 2017/18.

Kitchen Equipment Repairs

The budget for Kitchen Equipment Repairs is £11,000 and the latest projection is an overspend of £21,000. This budget is an internal recharge from Environmental & Commercial Services for maintaining and replacing equipment within school kitchens. Charges have increased by 52% since the previous year.

IT Recharges - Line Rental

The budget for IT Recharges for Line Rental is £137,540 and the latest projection is an overspend of £59,000. The majority of these costs are for providing internet connections to schools. Budgets will be re-aligned in 2017/18 to fund this overspend.

Hospital Tuition

The 2016/17 budget for Hospital Tuition is £29,000 and the latest projection is an underspend of £24,000. As in previous years, there has been minimal requirement to use this budget due to the low number of children in hospital.

School Meal Income

The budget for School Meal Income is £919,000 and the latest projection is an over recovery of £65,000. Projected income for 2016/17 is expected to be 2.6% more than the previous year.

Appendices 2 and 3 provide more details on the projected variances.

6.0 EARMARKED RESERVES

- 6.1 Earmarked Reserves for 2016/17, excluding those for Asset Plans and Strategic Funds, total £1,400,000 of which £564,000 is projected to be spent in the current financial year. Spend to date per profiling was expected to be £735,000, therefore year to date expenditure is £171,000 or 23.3% behind phased spend.
The majority of the slippage relates to payments to The Beacon due to final retention for construction work not being finalised.

7.0 VIREMENTS

- 7.1 There are no virements this Committee cycle.

8.0 IMPLICATIONS

8.1 Finance

All financial implications are discussed in detail within the report above.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend This Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Spend This Report £000	Virement From	Other Comments
N/A					

8.2 Legal

There are no specific legal implications arising from this report

8.3 Human Resources

There are no specific human resources implications arising from this report.

8.4 Equalities

There are no equalities issues with this report.

8.5 Repopulation

There are no repopulation issues with this report.

9.0 CONSULTATION

9.1 The paper has been jointly prepared by the Chief Financial Officer and the Corporate Director Education, Communities and Organisational Development.

10.0 BACKGROUND PAPERS

10.1 There are no background papers for this report.

Education Budget Movement - 2016/17**Probable Out-Turn as at 31st March 2017**

Service	Approved Budget	Movements			Transferred to EMR £000	Revised Budget
	2016/17 £000	Inflation £000	Virement £000	Supplementary Budgets £000		2016/17 £000
Corporate Director	141		1			142
Education	70,690	(37)	(128)	446	(9,577)	61,394
Inclusive Education	9,940		117		(97)	9,960
Safer & Inclusive Communities	1,812		(91)			1,721
Totals	82,583	(37)	(101)	446	(9,674)	73,217

Movement Detail

£000

External Resources

1+2 Language Grant
Probationer Teacher Funding

72

374

446

Virements

Street Mates from CLD to Safer Comms - upload correction
Early Achievement ASN Transport Saving
SWAN Contract
ICT Wi-Fi Assessment
Libraries Spydus
Insurance Re-Allocation
Water Re-Allocation
Cleaning Re-Allocation
Janitors to Communities
Biomass to Communities
Music Tuition to Communities

(70)

(40)

12

(15)

(15)

68

15

39

(40)

(35)

(20)

(101)

Inflation

SEMP Inflation
Gas Budget Inflation Removed
SPT Deflation

134

(143)

(28)

(37)

308

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Probable Out-Turn as at 31st March 2017**

<u>Out Turn</u> <u>2015/16</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2016/17</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Mar-17</u> <u>£000</u>	<u>Projection</u> <u>2016/17</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
37,338	Employee Costs - Teachers	38,991	38,991	38,547	38,547	(444)	(1.1%)
15,396	Employee Costs - Non teachers	16,030	16,030	15,883	15,883	(147)	(0.9%)
3,095	Non Domestic Rates	3,269	3,269	3,235	3,235	(34)	(1.0%)
1,235	Contract Cleaning	1,347	1,347	1,250	1,250	(97)	(7.2%)
21	Kitchen Equipment	11	11	32	32	21	190.9%
70	Line Rental	138	138	197	197	59	42.8%
2	Hospital Tuition	29	29	5	5	(24)	(82.8%)
(959)	School Meal Income	(919)	(919)	(984)	(984)	(65)	7.1%
Total Material Variances						(731)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Probable Out-Turn as at 31st March 2017**

2015/16 Actual £000	Subjective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
37,338	Employee Costs - Teachers	37,893	38,991	38,547	(444)	(1.1%)
15,396	Employee Costs - Non Teachers	15,318	16,030	15,883	(147)	(0.9%)
14,350	Property Costs	7,659	11,755	11,582	(173)	(1.5%)
3,758	Supplies & Services	4,000	4,034	4,070	36	0.9%
2,532	Transport Costs	2,084	2,483	2,497	14	0.6%
425	Administration Costs	428	577	621	44	7.6%
4,060	Other Expenditure	17,634	13,580	13,576	(4)	(0.0%)
(4,083)	Income	(2,433)	(4,559)	(4,683)	(124)	2.7%
73,776	TOTAL NET EXPENDITURE	82,583	82,891	82,093	(798)	(1.0%)
	Earmarked Reserves	0	(5,365)	(5,365)	0	
	Loan Charges / DMR	0	(4,309)	(4,309)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	82,583	73,217	72,419	(798)	

2015/16 Actual £000	Objective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
139	Corporate Director	141	142	151	9	6.3%
55,006	Education	56,193	56,338	55,858	(480)	(0.9%)
7,455	School Estate Management Plan	14,497	14,633	14,633	0	-
62,461	TOTAL EDUCATION SERVICES	70,690	70,971	70,491	(480)	(0.7%)
8,106	ASN	8,494	8,530	8,286	(244)	(2.9%)
1,371	Other Inclusive Education	1,446	1,527	1,558	31	2.0%
9,477	TOTAL INCLUSIVE EDUCATION	9,940	10,057	9,844	(213)	(2.1%)
1,518	Community Learning & Development	1,555	1,493	1,437	(56)	(3.8%)
181	Other Safer & Inclusive	257	228	170	(58)	(25.4%)
1,699	TOTAL SAFER & INCLUSIVE	1,812	1,721	1,607	(114)	(6.6%)
73,776	TOTAL EDUCATION COMMITTEE	82,583	82,891	82,093	(798)	(1.0%)
	Earmarked Reserves	0	(5,365)	(5,365)	0	

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Education & Lifelong Learning

Project	Lead Officer/ Responsible Manager	Total Funding 2016/17 £000	Phased Budget To Period 12 2016/17 £000	Actual To Period 12 2016/17 £000	Projected Spend 2016/17 £000	Amount to be Earmarked for 2017/18 & Beyond £000	Lead Officer Update
Creative Scotland Match Funding	Grant McGovern	100	100	100	100	0	Final Year of Funding for The Beacon Place Partnership. Spend now complete.
Beacon Contract and Core Funding	Grant McGovern	528	345	270	270	258	Planned Funding for Beacon for 2016/17 was £75k for Retention and £270k of Revenue Support. £75k Retention will now be paid in 2017/18. Balance of £130k Revenue Support will be used in 2017/18 and £54k held as a contingency.
Funding for 1 Youth Zone Port Glasgow, Greenock & Gourock	Martin McNab	370	129	109	109	261	Projected carry forward of £281k will be used to fund the 3 1-Youth Zones in 2017/18.
School Clothing Grants	Grant McGovern	75	25	25	25	50	£25k now spent for 2016/17 (Year 2 of 4 year funding.) £50k c/f for remaining 2 years.
Rankin Park Bike Trail - School Use	Martin McNab	60	12	2	2	58	Phase 1 roll out in Academic Year 16/17. £58k carry forward will be used to deliver Phase 2 in 17/18.
Primary School Swimming - P6 to P4 Move	Martin McNab	60	30	4	4	56	Costs are lower than projected due to reduction in number of sessions (longer time in water each trip reduced the number of visits) and P5 & P6 using same buses for some schools. It is estimated that funding of £22k will be required for FY17/18 and £17k for FY18/19 (last term of Academic Year 17/18). Potential write back of £18k to General Reserves as funding not required.
PG Community Campus Apprenticeships	Ruth Birks	50	0	0	0	50	No expenditure in 2016/17, full amount carried forward.
Developing Young Person's Workforce	Ruth Birks	87	60	35	35	52	Phased budget included allocation of £14k to Econ Development in 17/18 to fund Trainees - Young Person's start delayed until Dec on £5 month contract. Also includes £27k paid to West College Scotland.
Secondary Schools Credit Union	Ruth Birks	19	19	12	12	7	£6k invoice from Tail O The Bank Credit Union for Staff Costs and Publicity was paid P6. £3k invoice for S1 pupil deposits lower than expected due to uptake being approximately 250 out of 750 pupils. Report on the pilot scheme to follow.
School Holiday Lunches	Ruth Birks	50	15	7	7	43	£7k has been spend summer 2016 and will be supported by funding from the Attainment Challenge from 2017/18 onwards.
Total		1,400	735	564	564	836	