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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>23 January 2018</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>FIN/105/17/AP/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Education 2017/18 Revenue Budget- Period 7 to 31 October 2017</b>		

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## 1.0 PURPOSE

- 1.1 To advise the Committee of the 2017/18 Revenue Budget position as at Period 7 to 31 October 2017.

## 2.0 SUMMARY

- 2.1 The total Education budget for 2017/18, excluding planned carry forward for Earmarked Reserves, is £75,590,470. The School Estate Management Plan accounts for £14,673,000 of the total Education budget. The latest projection is an underspend of £275,000, a decrease of £181,000 since the last Committee.

- 2.2 The main variances to highlight for the 2017/18 Revenue Budget are –

- (a) Projected underspend of £49,000 for Teachers Employee Costs, a decrease of £129,000 since the last Committee and equivalent to 0.1% of the Teachers' budget. The movement since the last Committee is mainly due to a delay in employing Teachers via the Pupil Equity Fund (PEF). These Teachers covered core budget vacancies up until the October break and were transferred to PEF thereafter. Teacher numbers will fluctuate throughout the academic year but the overall numbers are managed to stay within budget.
- (b) Projected underspend of £121,000 for Non Teachers Employee Costs, an increase of £25,000 since the last Committee. £30,000 of this underspend is due to the early achievement of budget savings and the balance of £91,000 is due to vacant posts, mainly within Schools and Early Years establishments.
- (c) Projected overspend of £35,000 for Non Domestic Rates.
- (d) Projected underspend of £60,000 for Contract Cleaning due to the early achievement of 2018/19 productivity savings.
- (e) Projected underspend of £32,000 for Janitors due to vacant posts.
- (f) Projected over recovery of income of £40,000 for income received from other Local Authorities for placements within Garvel and Craigmarloch.

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- 2.3 It should be noted that proposals are being advanced as part of the 2018/20 Revenue Budget process to address some of these underspends.
- 2.4 Earmarked Reserves for 2017/18, excluding those for Asset Plans and Strategic Funds, total £784,000 of which £653,000 is projected to be spent in the current financial year. To date, expenditure of £211,000 (32.3%) has been incurred. Spend to date per profiling was expected to be £323,000, therefore year to date slippage is £112,000 or 34.7%.  
The majority of the slippage relates to payments to The Beacon due to final retention for construction work not being finalised and paid until Period 8.

### **3.0 RECOMMENDATION**

- 3.1 That the Committee notes the current projected underspend of £275,000 for the 2017/18 Education Revenue budget as at Period 7 to 31 October 2017.
- 3.2 That the Committee notes that proposals have been developed as part of the 2018/20 budget process to address a number of the projected underspends.

**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 current position of the 2017/18 Revenue Budget as at Period 7 to 31 October 2017 and highlight the main issues contributing to the projected underspend of £275,000.

## 5.0 2017/18 PROJECTION

- 5.1 The total Education budget for 2017/18, excluding planned carry forward for Earmarked Reserves, is currently £75,590,470. This is an increase of £1,307,000 from the approved budget. Appendix 1 gives details of the budget movements responsible for this increase.
- 5.2 The main variances to highlight for the 2017/18 Revenue Budget are -

### Employee Costs - Teachers

The total budget for Teachers Employee Costs is £39,169,000 and the latest projection is an underspend of £49,000 or 0.1% of the Teacher's budget. This is a decrease in underspend of £129,000 since the last Committee. This movement is mainly due to a delay in employing Teachers via the Pupil Equity Fund (PEF). These Teachers covered core budget vacancies up until the October break and were transferred to PEF thereafter. Teacher numbers will fluctuate throughout the academic year but the overall numbers are managed to stay within budget.

### Employee Costs – Non Teachers

The total budget for Non Teacher Employee costs is £16,533,000 and the latest projection is an underspend of £121,000 or 0.7% of the Non Teachers' budget. This is an increase in underspend of £25,000 since the last Committee. The early achievement of budget savings accounts for £30,000 of the projected underspend and the balance of £91,000 relates to vacant posts, mainly within Schools and Early Years establishments.

### Non Domestic Rates

The total budget for Non Domestic Rates is £3,357,040 and the latest projection is an overspend of £35,000. An overspend of £41,630 for the Port Glasgow Community Campus is being partially offset by empty relief received for Lady Alice and Moorfoot Primary Schools during their refurbishment.

### Contract Cleaning

The current budget for Contract Cleaning is £1,287,720 and the latest projection is an underspend of £60,000 due to the early achievement of 2018/19 productivity savings. The projection is the same as previously reported to Committee.

### Janitors

The current budget for Janitors is £983,070 and the latest projection is an underspend of £32,000 due to vacant posts. The projection is the same as previously reported to Committee.

### ASN Transport & ASN Placements

The ASN Transport budget is currently £418,000 and the latest projection is an underspend of £27,000. The ASN Placements budget is currently £404,860 and the latest projection is an underspend of £30,000. However, in line with a previous Committee decision, both of these projected underspends will be transferred to the ASN Earmarked Reserve put in place to smooth demand lead cost pressures and consequently are not included in the overall projected underspend of £275,000 for the Education revenue budget.

## Income from Other Local Authorities

The Income from Other Local Authorities budget is £313,000 and the latest projection is an over recovery of income of £40,000. This income is received for children from outwith Inverclyde who are placed within Garvel and Craigmarloch. The projection is the same as previously reported to Committee.

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

## **6.0 EARMARKED RESERVES**

- 6.1 Earmarked Reserves for 2017/18, excluding those for Asset Plans and Strategic Funds, total £784,000 of which £653,000 is projected to be spent in the current financial year. To date, expenditure of £211,000 (32.3%) has been incurred. Spend to date per profiling was expected to be £323,000, therefore year to date expenditure is £112,000 or 34.7%.  
The majority of the slippage relates to payments to The Beacon due to final retention for construction work not being finalised and paid until Period 8.

## **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 - 2017/18****Period 7 - 1st April 2017 to 31st October 2017**

Service	Approved Budget	Movements			Transferred to EMR £000	Revised Budget 2017/18 £000
	2017/18 £000	Inflation £000	Virement £000	Supplementary Budgets £000		
Corporate Director	141	1	1			143
Education	69,630	154	742	269	(7,239)	63,556
Inclusive Education	9,961	71	41			10,073
Safer & Inclusive Communities	1,790	21	7			1,818
<b>Totals</b>	<b>81,522</b>	<b>247</b>	<b>791</b>	<b>269</b>	<b>(7,239)</b>	<b>75,590</b>

**Movement Detail**

£000

**External Resources**

1140 Hours Early Years Funding

269

269

**Virements**

Probationer Teachers Funding - from P&R  
 IT Information Classification Policy - to P&R  
 Apprenticeship Levy - from P&R  
 SEMP to Contingency - to P&R  
 NDR Virement - from P&R

514  
 (1)  
 208  
 (20)  
 89

790

**Inflation**

Pay Award

248

248

1,307

**EDUCATION**

APPENDIX 2

**REVENUE BUDGET MONITORING REPORT**

**MATERIAL VARIANCES**

**Period 7 - 1st April to 31st October 2017**

<u>Out Turn 2016/17 £000</u>	<u>Budget Heading</u>	<u>Budget 2017/18 £000</u>	<u>Proportion of Budget</u>	<u>Actual to 31-Oct-17 £000</u>	<u>Projection 2017/18 £000</u>	<u>(Under)/Over Budget £000</u>	<u>Percentage Over / (Under)</u>
38,543	Employee Costs - Teachers	39,169	22,691	22,451	39,120	(49)	(0.1%)
16,130	Employee Costs - Non Teachers	16,533	8,959	8,951	16,412	(121)	(0.7%)
3,235	Non Domestic Rates	3,357	3,357	3,385	3,392	35	1.0%
1,246	Cleaning	1,288	751	2	1,228	(60)	(4.7%)
1,081	Janitors	983	573	556	951	(32)	(3.3%)
(358)	Income From OLA	(313)	(173)	(95)	(353)	(40)	12.8%
<b>Total Material Variances</b>						<b>(267)</b>	

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 7 - 1st April to 31st October 2017**

2016/17 Actual £000	Subjective Heading	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
38,543	Employee Costs - Teachers	37,392	39,169	39,120	(49)	(0.1%)
16,130	Employee Costs - Non Teachers	15,063	16,533	16,412	(121)	(0.7%)
11,582	Property Costs	7,404	7,501	7,411	(90)	(1.2%)
3,924	Supplies & Services	3,971	3,925	3,951	26	0.7%
2,383	Transport Costs	1,955	1,944	1,941	(3)	(0.2%)
621	Administration Costs	444	614	614	0	-
4,206	Other Expenditure	17,770	18,140	18,142	2	0.0%
(4,744)	Income	(2,477)	(4,997)	(5,037)	(40)	0.8%
72,645	TOTAL NET EXPENDITURE	81,522	82,829	82,554	(275)	(0.3%)
	Earmarked Reserves	0	(2,687)	(2,687)	0	
	Loan Charges / DMR	0	(4,552)	(4,552)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	81,522	75,590	75,315	(275)	

2016/17 Actual £000	Objective Heading	Approved Budget 2017/18 £000	Revised Budget 2017/18 £000	Projected Out-turn 2017/18 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
151	Corporate Director	141	143	153	10	7.0%
55,879	Education	54,937	56,141	55,898	(243)	(0.4%)
5,199	School Estate Management Plan	14,693	14,673	14,673	0	-
61,078	TOTAL EDUCATION SERVICES	69,630	70,814	70,571	(243)	(0.3%)
8,263	ASN	8,349	8,427	8,392	(35)	(0.4%)
1,538	Other Inclusive Education	1,612	1,628	1,621	(7)	(0.4%)
9,801	TOTAL INCLUSIVE EDUCATION	9,961	10,055	10,013	(42)	(0.4%)
1,446	Community Learning & Development	1,534	1,553	1,551	(2)	(0.1%)
169	Other Safer & Inclusive	256	264	266	2	0.8%
1,615	TOTAL SAFER & INCLUSIVE	1,790	1,817	1,817	0	-
72,645	TOTAL EDUCATION COMMITTEE	81,522	82,829	82,554	(275)	(0.3%)
	Earmarked Reserves	0	(2,687)	(2,687)	0	



**EARMARKED RESERVES POSITION STATEMENT**  
**COMMITTEE: Education & Lifelong Learning**

Appendix 4

Project	Lead Officer/ Responsible Manager	Total Funding 2017/18 £000	Phased Budget To Period 7 2017/18 £000	Actual To Period 7 2017/18 £000	Projected Spend 2017/18 £000	Amount to be Earmarked for 2018/19 & Beyond £000	Lead Officer Update
Beacon Contract and Core Funding	Grant McGovern	259	178	100	255	4	£255k spend for 2017/18 = £75k Retention Payment + £130k funding + £50k contingency. The £75k retention & £30k of Contingency will be paid in P8. At end of P7 £30k of funding & £20k of Contingency remain to be paid in 2017/18.
Funding for 1 Youth Zone Port Glasgow, Greenock & Gourock	Martin McNab	256	109	76	246	10	Funding to 31/03/18 for 3 x 1-Youth Zones. £10k underspend being projected due to vacant posts.
School Clothing Grants	Grant McGovern	50	25	25	25	25	£25k has now been spent for 2017/18 with £25k c/f for Year 4. This EMR funds an additional £10 per claim.
Rankin Park Bike Trail - School Use	Martin McNab	58	0	0	15	43	P&R Committee 08/08/17 agreed to use up to £15k of this EMR to fund IL extending the opening of Gourock Pool for Sept 2017.
Primary School Swimming - P6 to P4 Move	Martin McNab	40	0	0	20	20	Payment for Swimming Teachers and transport will be made at Financial Year end as part of the DMR process.
PG Community Campus Apprenticeships	Ruth Binks	50	2	1	50	0	Fully spent by March 2018. Head Teachers have agreed to purchase STEM subject resources.
Developing Young Person's Workforce	Ruth Binks	52	0	0	30	22	Payment will be made to West College for Vocational Programme in March 2018. Balance will be c/f to 2018/19.
Secondary Schools Credit Union	Ruth Binks	19	9	9	12	7	£9k payment made to Tail O' The Bank Credit Union for staff costs and resources. Balance of £3k will fund the deposits to S1 pupils accounts. Uptake is low again this year.
<b>Total</b>		<b>784</b>	<b>323</b>	<b>211</b>	<b>653</b>	<b>131</b>	