
Report To:	Education & Communities Committee	Date:	13 March 2018
Report By:	Chief Financial Officer and Corporate Director Education, Communities and Organisational Development	Report No:	FIN/25/18/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education 2017/18 Revenue Budget- Period 9 to 31 December 2017		

1.0 PURPOSE

- 1.1 To advise the Committee of the 2017/18 Revenue Budget position as at Period 9 (31 December 2017.)

2.0 SUMMARY

- 2.1 The total Education budget for 2017/18, excluding planned carry forward for Earmarked Reserves, is £75,315,490. The School Estate Management Plan accounts for £14,673,000 of the total Education budget. The latest projection is an underspend of £207,000, an increase in expenditure of £68,000 since the last Committee.
- 2.2 The main variances to highlight for the 2017/18 Revenue Budget are –
- (a) Projected underspend of £26,000 for Teachers Employee Costs, a decrease of £23,000 since the last Committee and equivalent to 0.1% of the Teachers budget. Teacher numbers will fluctuate throughout the academic year but the overall numbers are managed to stay within budget.
 - (b) Projected underspend of £134,000 for Non Teachers Employee Costs, an increase of £13,000 since the last Committee. The majority of the projected underspend is due to vacant posts, mainly within Schools and Early Years establishments.
 - (c) Projected overspend of £35,000 for Non Domestic Rates.
 - (d) Projected overspend of £34,000 for Water.
 - (e) Projected overspend of £26,000 for Biomass fuel.
 - (f) Projected underspend of £60,000 for Contract Cleaning due to the early achievement of 2018/19 productivity savings.
 - (g) Projected overspend of £36,000 for legal fees associated with GAG Ltd's ongoing litigation matter relating to The Beacon development. These costs will be contained within the overall Education & Communities budget.
 - (h) 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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- (i) Projected over recovery of income of £50,000 for Wrapround Income within Early Years Education.

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 £847,000 of which £580,000 is projected to be spent in the current financial year. To date, expenditure of £391,000 (67.4%) has been incurred. Spend to date per profiling was expected to be £385,000, therefore there is no slippage to report at this time.

3.0 RECOMMENDATION

3.1 That the Committee notes the current projected underspend of £207,000 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 9 to 31 December 2017 and highlight the main issues contributing to the projected underspend of £207,000.

5.0 2017/18 PROJECTION

- 5.1 The total Education budget for 2017/18, excluding planned carry forward for Earmarked Reserves, is currently £75,315,490. This is an increase of £1,082,000 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 £38,578,000 and the latest projection is an underspend of £26,000 or 0.1% of the Teachers budget. This is a decrease in underspend of £23,000 since the last Committee. 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 £16,613,000 and the latest projection is an underspend of £134,000 or 0.8% of the Non Teachers budget. This is an increase in underspend of £13,000 since the last Committee. The majority of the projected underspend 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. There is no change to this projection since the last Committee.

Water

The total budget for Water is £259,000 and the latest projection is an overspend of £34,000 mainly due to the ongoing surface water drainage issues at Clydeview and Notre Dame High Schools. In previous years these cost have been recovered via a reduction in the PPP Unitary Charge payments. Officers of the Council will continue working towards recovering this year's costs.

Biomass Fuel

The current budget for Biomass Fuel within Port Glasgow Community Campus is £67,000 and the latest projection is an overspend of £26,000. The tonnage of wood chips biomass fuel delivered in the first nine months of 2017/18 has already exceeded the quantity delivered in the whole of 2016/17. The increased consumption will be partially offset by an over recovery of Renewable Heat Incentive income reported to the Environment & Regeneration Committee.

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

A projected underspend of £32,000 was previously reported to Committee for Janitors. This has now been reduced to £5,000 as a result of additional hours having to be worked to cover sickness absence.

Legal Fees

Projected overspend of £36,000 for legal fees associated with GAG Ltd's ongoing litigation matter relating to The Beacon development. These costs are required to continue the legal process to the next stage and they will be contained within the overall Education & Communities 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.

Wrapround Income

The current budget for Wrapround Income within Early Years is £201,000 and the latest projection is an over recovery of income of £50,000. The majority of the over recovery relates to after school care and holiday clubs.

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 £847,000 of which £580,000 is projected to be spent in the current financial year. To date, expenditure of £391,000 (67.4%) has been incurred. Spend to date per profiling was expected to be £385,000, therefore there is no slippage to report at this time.

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 9 - 1st April 2017 to 31st December 2017**

Service	Approved Budget 2017/18 £000	Inflation £000	Virement £000	Movements		Revised Budget 2017/18 £000
				Supplementary Budgets £000	Transferred to EMR £000	
Corporate Director	141	1	1			143
Education	69,630	154	1,056		(7,289)	63,551
Inclusive Education	9,961	71	(199)			9,833
Safer & Inclusive Communities	1,790	21	(23)			1,788
Totals	81,522	247	835	0	(7,289)	75,315

Movement Detail**External Resources**

£000

0

Virements

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

514
 (1)
 44
 209
 (20)
 89

835

Inflation

Pay Award

247

247

1,082

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 9 - 1st April to 31st December 2017**

<u>Out Turn</u> <u>2016/17</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2017/18</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Dec-17</u> <u>£000</u>	<u>Projection</u> <u>2017/18</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
38,543	Employee Costs - Teachers	38,578	29,220	29,042	38,552	(26)	(0.1%)
16,130	Employee Costs - Non Teachers	16,613	11,353	11,324	16,479	(134)	(0.8%)
3,235	Non Domestic Rates	3,357	3,357	3,392	3,392	35	1.0%
285	Water	259	259	293	293	34	13.1%
59	Biomass	67	43	56	93	26	38.8%
1,246	Cleaning	1,288	751	2	1,228	(60)	(4.7%)
0	Legal Fees - The Beacon	0	0	0	36	36	-
(358)	Income From OLA	(313)	(227)	(95)	(353)	(40)	12.8%
(204)	Wrapround Income	(201)	(201)	(257)	(251)	(50)	24.9%
Total Material Variances						(179)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 9 - 1st April to 31st December 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	38,578	38,552	(26)	(0.1%)
16,130	Employee Costs - Non Teachers	15,063	16,613	16,479	(134)	(0.8%)
11,582	Property Costs	7,404	7,500	7,493	(7)	(0.1%)
3,924	Supplies & Services	3,971	3,949	3,975	26	0.7%
2,383	Transport Costs	1,955	1,948	1,944	(4)	(0.2%)
621	Administration Costs	444	657	657	0	-
4,206	Other Expenditure	17,770	18,849	18,887	38	0.2%
(4,744)	Income	(2,477)	(5,490)	(5,590)	(100)	1.8%
72,645	TOTAL NET EXPENDITURE	81,522	82,604	82,397	(207)	(0.3%)
	Earmarked Reserves	0	(2,796)	(2,796)	0	
	Loan Charges / DMR	0	(4,493)	(4,493)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	81,522	75,315	75,108	(207)	

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	56,167	55,927	(240)	(0.4%)
5,199	School Estate Management Plan	14,693	14,673	14,673	0	-
61,078	TOTAL EDUCATION SERVICES	69,630	70,840	70,600	(240)	(0.3%)
8,263	ASN	8,349	8,470	8,498	28	0.3%
1,538	Other Inclusive Education	1,612	1,363	1,388	25	1.8%
9,801	TOTAL INCLUSIVE EDUCATION	9,961	9,833	9,886	53	0.5%
1,446	Community Learning & Development	1,534	1,554	1,526	(28)	(1.8%)
169	Other Safer & Inclusive	256	234	232	(2)	(0.9%)
1,615	TOTAL SAFER & INCLUSIVE	1,790	1,788	1,758	(30)	(1.7%)
72,645	TOTAL EDUCATION COMMITTEE	81,522	82,604	82,397	(207)	(0.3%)
	Earmarked Reserves	0	(2,796)	(2,796)	0	

Appendix 4

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Education & Lifelong Learning

Project	Lead Officer/ Responsible Manager	Total Funding 2017/18 £000	Phased Budget To Period 9 2017/18 £000	Actual To Period 9 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	208	235	255	4	£255k spend for 2017/18 = £75k Retention Payment + £130k funding + £50k contingency. Only £20k of Contingency now remains.
Autism Friendly	Grant McGovern	150	0	0	0	150	Now expected to be spent in 2018/19 after tendering process takes place.
Funding for 1 Youth Zone Port Glasgow, Greenock & Gourock	Martin McNab	256	141	108	176	80	Funding to 31/03/18 for 3 x 1-Youth Zones. £80k underspend being projected due to vacant posts and slippage of expenditure until 2018/19.
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	15	0	0	15	0	P&R Committee 08/08/17 agreed to use up to £15k of this EMR to fund extending the opening of Gourock Pool for Sept 2017. Still awaiting invoice from IL.
Primary School Swimming - P6 to P4 Move	Martin McNab	25	0	0	20	5	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	14	50	0	Projected to be fully spent by March 2018. Head Teachers have agreed to purchase STEM subject resources.
Developing Young Person's Workforce	Ruth Binks	30	0	0	27	3	Payment will be made to West College for Vocational Programme in March 2018. £3k required to be c/f as contribution to inter-Authority event held during the April to June academic term.
Secondary Schools Credit Union	Ruth Binks	12	9	9	12	0	£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.
Total		847	385	391	580	267	