

**Report To:** Education & Communities Committee

**Date:** 30 October 2018

**Report By:** Chief Financial Officer and Corporate Director Education, Communities and Organisational Development

**Report No:** FIN/103/18/AP/IC

**Contact Officer:** Iain Cameron

**Contact No:** 01475 712832

**Subject:** Education 2018/19 Revenue Budget-Period 5 to 31 August 2018

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## 1.0 PURPOSE

1.1 The purpose of this report is to advise the Committee of the 2018/19 Revenue Budget position as at Period 5 to 31 August 2018.

## 2.0 SUMMARY

2.1 The total Education budget for 2018/19, excluding planned carry forward for Earmarked Reserves, is £76,258,900. The School Estate Management Plan accounts for £14,629,000 of the total Education budget. The latest projection is an underspend of £90,000, an increase of £8,000 since the last Committee.

2.2 The main reasons for the 2018/19 projected underspend are –

- (a) Projected underspend of £31,000 for Teachers Employee Costs, an increase of £8,000 since the last Committee and equivalent to 0.1% of the Teachers budget. Teacher numbers will fluctuate throughout the academic year and the overall numbers are managed to stay within budget.
- (b) Projected underspend of £55,000 for Education Non Teachers Employee Costs, an increase of £24,000 since the last Committee. The projected underspend is due to vacant posts within Early Years Education and the Corporate Director post being vacant for a number of months.
- (c) Projected underspend of £85,000 for Facilities Management Employee Costs due to vacant posts, an increase of £65,000 since the last Committee. This is offset by a reduction in Facilities Management Income.
- (d) Projected overspend of £40,000 for Non Domestic Rates (NDR), the same as previously reported to Committee.
- (e) Projected overspend of £42,000 for Electricity, an increase of £1,000 since the last Committee.
- (f) Projected underspend of £42,000 for Cleaning and £46,000 for Catering the same as reported to the last Committee.
- (g) Projected overspend of £20,000 for Kitchen Equipment Repairs, the same as previously reported to Committee.

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- (h) Projected over recovery of Early Year's Wrapround Income of £37,000, the same as previously reported to Committee
  - (i) Projected shortfall in income of £65,000 for Facilities Management recharges due to the underspend in Employee Costs reported above.

2.3 Earmarked Reserves for 2018/19, excluding those for Asset Plans and Strategic Funds, total £600,000 of which £568,000 is projected to be spent in the current financial year. To date, expenditure of £72,000 (12.7%) has been incurred. Spend to date per profiling was expected to be £66,000, therefore expenditure is currently ahead of plan with no slippage to report at this time.

### **3.0 RECOMMENDATION**

3.1 That the Committee notes the current projected underspend of £90,000 for the 2018/19 Education Revenue Budget as at Period 5 to 31 August 2018.

**Alan Puckrin**  
Chief Financial Officer

**Ruth Binks**  
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 2018/19 Revenue Budget as at Period 5, 31 August 2018 and highlight the main issues contributing to the projected underspend of £90,000.

## 5.0 2018/19 PROJECTION

- 5.1 The total Education Revenue Budget for 2018/19, excluding planned carry forward for Earmarked Reserves, is currently £76,258,900. This is an increase of £630,000 from the approved budget. Appendix 1 gives details of the budget movements responsible for this increase.
- 5.2 The main issues to highlight in relation to the 2018/19 projected underspend of £90,000 (1.2%) are:

### Education Employee Costs - Teachers

The total budget for Teachers Employee Costs is £39,581,000 and the latest projection is an underspend of £31,000, an increase of £8,000 since the last Committee. This represents 0.1% of the Teachers budget. The number of Teachers employed fluctuate throughout the year and the overall numbers are managed to stay within budget. Teacher staffing numbers have now been fully reviewed at the start of the new academic year and will continue to be reviewed on a regular basis throughout the year.

### Education Employee Costs – Non Teachers

The total budget for Education Non Teacher Employee costs is £16,758,000 and the latest projection is an underspend of £55,000, an increase of £24,000 since the last Committee. The Corporate Director post being vacant for several months and vacant posts within Early Years Education are the main reasons for the projected underspend.

### Facilities Management Employee Costs

The total budget for Facilities Management Employee Costs is £5,384,000 and the latest projection is an underspend of £85,000. In addition to the £20,000 underspend for Public Conveniences previously reported to Committee, there is a projected underspend of £65,000 for Cleaning and Catering due to vacant posts.

### Non Domestic Rates

The current budget for Non Domestic Rates is £3,255,170 and the latest projection is an overspend of £40,000, the same as previously reported to Committee. The projected overspend mainly relates to Disabled Adapted Building Relief not being awarded to Craigmarloch. This has been reviewed by the Assessor and the cost pressure is being contained within the Education Directorate.

### Electricity

The budget for Electricity is currently £826,360 and the latest projection is an overspend of £42,000, an increase of £1,000 since the last Committee.

### Contract Cleaning

The current budget for Contract Cleaning is £1,316,000 and the latest projection is an underspend of £42,000. This is the same as reported to last Committee and is mainly due to the over achievement of budget savings due to increased efficiencies.

## Catering Recharge

The current budget for Catering is £3,010,000 and the latest projection is an underspend of £46,000, the same as reported to the last Committee. The underspend mainly relates to catering supplies and is a reduction on the £82,000 underspend for 2017/18.

## Kitchen Equipment Repairs

The Kitchen Equipment Repairs budget is £31,000 and the latest projection is an overspend of £20,000, the same as previously reported to Committee. This is in line with the level of expenditure in previous years.

## Early Years Wraparound Income

The current budget for Early Years Wraparound income is £201,000 and the latest projection is an over-recovery of income of £37,000, the same as previously reported to Committee. This is in line with the final out turn for the previous year.

It should be noted that Early Years Wraparound Income will reduce significantly once the provision of 1140 Hours is fully implemented. Government funding will be received to offset this loss of income.

## Facilities Management Income

Facilities Management Income budget, mainly from internal recharges to various Council Services, is £6,355,000 and the latest projection is a shortfall in income of £65,000. This is due to the underspend in Employee Costs reported above.

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

## **6.0 EARMARKED RESERVES**

- 6.1 Earmarked Reserves for 2018/19, excluding those for Asset Plans and Strategic Funds, total £600,000 of which £568,000 is projected to be spent in the current financial year. To date, expenditure of £72,000 (12.7%) has been incurred. Spend to date per profiling was expected to be £66,000, therefore expenditure is currently ahead of plan with 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 - 2018/19****Period 5 - 1st April 2018 to 31st August 2018**

Service	Approved Budget	Movements			Revised Budget	
	2018/19 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2017/18 £000
Corporate Director	146					146
Education	69,734	156	(73)	600	(6,683)	63,734
Inclusive Education	12,312		(32)			12,280
Facilities Management	120		(21)			99
Totals	<u>82,312</u>	<u>156</u>	<u>(126)</u>	<u>600</u>	<u>(6,683)</u>	<u>76,259</u>

**Movement Detail**

£000

**External Resources**

Probationer Teachers  
Free Sanitary Products

594  
6

600**Virements**

Additional Turnover  
Management Restructure

(116)  
(10)

(126)**Inflation**

Electricity  
Gas

88  
68

156630

**EDUCATION****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 5 - 1st April to 31st August 2018**

<u>Out Turn</u> <u>2017/18</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2018/19</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-18</u> <u>£000</u>	<u>Projection</u> <u>2018/19</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
39,712	ED Employee Costs - Teachers	39,581	16,408	16,488	39,550	(31)	(0.1%)
17,037	ED Employee Costs - Non Teachers	16,758	8,629	8,509	16,703	(55)	(0.3%)
5,002	Facilities Management Employees	5,384	2,124	2,083	5,299	(85)	(1.6%)
3,235	Non Domestic Rates	3,255	3,255	3,261	3,295	40	1.2%
803	Electricity	826	344	160	868	42	5.1%
1,218	Cleaning	1,316	548	1	1,274	(42)	(3.2%)
2,923	Catering Charge	3,010	1,254	4	2,964	(46)	(1.5%)
46	Kitchen Equipment Repairs	31	0	0	51	20	64.5%
(238)	Wraparound Income	(201)	(84)	(127)	(238)	(37)	18.4%
(6,184)	Facilities Management Income	(6,355)	(2,648)	(503)	(6,290)	65	(1.0%)
<b>Total Material Variances</b>						<b>(129)</b>	

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 5 - 1st April to 31st August 2018**

2017/18 Actual £000	Subjective Heading	Approved Budget 2018/19 £000	Revised Budget 2018/19 £000	Projected Out-turn 2018/19 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
39,712	Employee Costs - Teachers	40,130	39,581	39,550	(31)	(0.1%)
22,039	Employee Costs - Non Teachers	21,036	22,142	22,002	(140)	(0.6%)
14,168	Property Costs	7,568	7,694	7,748	54	0.7%
5,025	Supplies & Services	5,129	5,132	5,106	(26)	(0.5%)
2,557	Transport Costs	1,911	1,917	1,957	40	2.1%
684	Administration Costs	719	722	717	(5)	(0.7%)
4,642	Other Expenditure	17,778	20,499	20,494	(5)	(0.0%)
(13,107)	Income	(11,959)	(14,745)	(14,722)	23	(0.2%)
75,720	TOTAL NET EXPENDITURE	82,312	82,942	82,852	(90)	(0.1%)
	Earmarked Reserves	0	(1,855)	(1,855)	0	
	Loan Charges / DMR	0	(4,828)	(4,828)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	82,312	76,259	76,169	(90)	

2017/18 Actual £000	Objective Heading	Approved Budget 2018/19 £000	Revised Budget 2018/19 £000	Projected Out-turn 2018/19 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
152	Corporate Director	146	146	123	(23)	(15.8%)
56,129	Education	55,105	55,788	55,791	3	0.0%
105	Facilities Management	120	99	79	(20)	(20.2%)
7,341	School Estate Management Plan	14,629	14,629	14,629	0	-
63,575	TOTAL EDUCATION SERVICES	69,854	70,516	70,499	(17)	(0.0%)
8,628	ASN	8,720	8,715	8,666	(49)	(0.6%)
1,523	Community Learning & Development	1,578	1,560	1,611	51	3.3%
1,842	Other Inclusive Education	2,014	2,005	1,953	(52)	(2.6%)
11,993	TOTAL INCLUSIVE EDUCATION	12,312	12,280	12,230	(50)	(0.4%)
75,720	TOTAL EDUCATION COMMITTEE	82,312	82,942	82,852	(90)	(0.1%)
	Earmarked Reserves	0	(1,855)	(1,855)	0	



## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Education &amp; Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2018/19</u>	<u>Phased Budget To Period 5 2018/19</u>	<u>Actual To Period 5 2018/19</u>	<u>Projected Spend 2018/19</u>	<u>Amount to be Earmarked for 2019/20 &amp; Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Autism Friendly	Grant McGovern	250	0	0	218	32	£206k allocated to groups in P7, post funded from P6, balance of £32k remains at year end
Funding for I Youth Zone Port Glasgow, Greenock & Gourock	Grant McGovern	186	63	60	186	0	Funding to run 3 x I-Youth Zones until 31/03/19
Primary School Swimming - P6 to P4 Move	Grant McGovern	6	0	0	6	0	Completed by end of June 2018, accounting entries as part of DMR year end
PG Community Campus Apprenticeships	Ruth Binks	35	0	9	35	0	Balance of the funding being used to purchase laptops, software and secure storage facilities. IT Services have now successfully tested a pilot version and orders are expected to be completed in next few months.
Developing Young Person's Workforce	Ruth Binks	3	3	3	3	0	Spending Now Complete
Beacon Repairs & Renewals	Grant McGovern	120	0	0	120	0	Beacon have supplied a list of appropriate proposals. Process for paying funding being finalised.
<b>Total</b>		<b>600</b>	<b>66</b>	<b>72</b>	<b>568</b>	<b>32</b>	