
Report To:	Education & Communities Committee	Date:	2 November 2021
Report By:	Interim Service Director Corporate Services & Organisational Recovery and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/65/21/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education Revenue & Capital Budget Report - 2021/22 Projected Out Turn at Period 5 to 31 August 2021		

1.0 PURPOSE

- 1.1 To advise the Committee of the 2021/22 Education Revenue and Capital Budget positions as at Period 5 to 31 August 2021.

2.0 SUMMARY

- 2.1 The total Education budget for 2021/22, excluding planned carry forward for Earmarked Reserves, is £88.238 million. The School Estate Management Plan accounts for £10.635 million of the total Education budget. The latest projection at Period 5 up to end of August 2021 is an underspend of £199,000, a reduction in expenditure of £93,000 since last Committee.
- 2.2 The main variances relating to the 2021/22 Revenue Budget projected underspend are –
- (a) Projected underspend of £130,000 for Teachers Employee Costs as a result of vacant posts within Psychological Services. This is the same as previously reported to Committee.
 - (b) Projected underspend of £98,000 for Facilities Management Employee Costs. £76,000 of the underspend relates to Cleaning and £22,000 relates to Catering and is due to vacant posts.
 - (c) Projected underspend of £51,000 for Non Domestic Rates (NDR).
 - (d) Projected underspend of £30,000 for Electricity, mainly due to lower consumption.
 - (e) Projected underspend of £65,000 for FM Catering Provisions linked to reduction in school meal income.
 - (f) Projected underspend of £78,000 for SPT School Buses.
 - (g) Projected overspend of £24,000 for Pupil Consortium Travel.
 - (h) Projected underspend of £30,000 for Early Year's Framework expenditure.
 - (i) Projected under-recovery of £300,000 for School Meal Income due to lower uptake of meals.

- (j) Projected under-recovery of £179,000 for Facilities Management Income (Cleaning £76,000 and Catering £103,000) due to projected underspends for FM Catering Provisions and FM Employee Costs.

- 2.3 The Education 2021/24 Capital Budget is £18.577 million with £5.127 million projected to be spent in the current Financial Year. The original budget projected expenditure of £4.280 million for current year so Accelerated Expenditure is £847,000 (20%.) Expenditure at 23 September 2021 is £2.923 million or 57% of the projected expenditure for 2021/22. The costs of the overall Capital Programme are being contained within existing budgets. Appendix 4 gives more financial information by project with updates on physical progress of projects provided elsewhere on this agenda.
- 2.4 Earmarked Reserves for 2021/22, excluding those for Asset Plans and Strategic Funds total £4.016 million of which £1.828 million is projected to be spent in the current Financial Year. To date expenditure of £203,000 (11.1%) has been incurred. Spend to date per profiling was expected to be £238,000, therefore slippage to date is £35,000 (14.7%)

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the projected underspend of £199,000 for the 2021/22 Education Revenue budget as at Period 5 to 31 August 2021.
- 3.2 That the Committee note the financial position of the specific capital projects detailed in Appendix 4 and note that the cost of the current Education Capital Programme is being contained within existing budgets.
- 3.3 That the Committee approves the virement for £16,000 detailed in Paragraph 8.1 and Appendix 6.

Alan Puckrin
Interim Service Director,
Corporate Services &
Organisational Recovery

Ruth Binks
Corporate Director Education, Communities &
Organisational Development

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2021/22 Revenue and Capital Budgets as at Period 5 to 31 August 2021 and to highlight the main variances contributing to the projected underspend of £199,000 for 2021/22.

5.0 2021/22 PROJECTED OUT TURN

- 5.1 The total Education budget for 2021/22, excluding planned carry forward for Earmarked Reserves, is currently £88.238 million. This is a decrease of £3.199 million from the approved budget. Appendix 1 gives details of the budget movement responsible for this decrease.
- 5.2 The main issues to highlight in relation to the 2021/22 projected underspend of £199,000 are:

Employee Costs - Teachers

The current budget for Teachers Employee Costs is £50.753 million and the latest projection is an underspend of £130,000 due to vacant posts within Psychological Services. It should be noted that an additional 42fte Covid Recovery teachers have now been employed using a combination of Scottish Government grant funding and Early Years 1140 underspend.

Employee Costs – Non Teachers

The current budget for Non Teacher Employee Costs is £28.124 million and the latest projection is an underspend of £98,000 which relates to Facilities Management Employees (£76,000 for Cleaning and £22,000 for Catering) Education Non Teacher Employee Costs are currently projected to be on budget with an overspend for Breakfast Clubs and School Support Staff being offset by an underspend for Community Learning & Development staff.

Non Domestic Rates (NDR)

The current budget for Non Domestic Rates is £3.353 million and the latest projection is an underspend of £51,000 due to increase in rates poundage being lower than amount budgeted for.

Electricity

The current budget for Electricity is £941,000 and the latest projection is an underspend of £30,000 mainly due to reduced consumption in schools. Projected expenditure has increased by £51,000 since last Committee mainly due to supplier estimated meter reads being replaced by actuals.

Education Contract Cleaning

The current budget for Education Contract Cleaning is £1.230 million and the latest projection is an underspend of £76,000 due to vacant posts within Facilities Management. There is a corresponding underspend in Employee Costs and shortfall in Income within Facilities Management.

Facilities Management Catering Provisions

The current budget for Catering Provisions is £980,000 and the latest projection is an underspend of £65,000, an increase of £5,000 since last Committee. A saving due to a reduction in the number of school meals being produced is partially offset by an increase in food provisions costs post Covid. There is a corresponding under-recovery of Facilities Management Income as a result of this.

Education Catering Contract

The current budget for Education Catering Contract is £3.435 million and the latest projection is an underspend of £87,000 which is due to the projected underspend for Facilities Management Employee Costs and Provisions noted above.

SPT School Buses

The current budget for SPT School Buses is £1.190 million and the latest projection based on information supplied by SPT for the new academic year is an underspend of £78,000.

Pupil Consortium Travel

The current budget for Pupil Consortium Travel is £60,000 and the latest projection is an overspend of £24,000, the same as previously reported to Committee.

Early Years Framework

Early Years Framework is projected to underspend by £30,000, the same as previously reported to Committee.

School Meal Income

The total budget for School Meal Income is £1.022 million and the latest projection is an under-recovery in income of £300,000, the same as previously reported to Committee

Facilities Management Income

The current budget for Facilities Management Income is £6.250 million and the latest projection is an under-recovery of £179,000 - £103,000 relates to Catering and £76,000 to Cleaning due to the projected underspends reported above.

Appendices 2 and 3 provide more details on the projected variances

6.0 2021/24 CAPITAL BUDGET PROJECTION

6.1 The Education 2021/24 Capital Budget is £18.577 million with £5.127 million projected to be spent in the current Financial Year. The original budget projected expenditure of £4.280 million for current year so Accelerated Expenditure is £847,000 (20%.) Expenditure at 23 September 2021 is £2.923 million or 57% of the projected expenditure for 2021/22. The costs of the overall Capital Programme are being contained within existing budgets. Appendix 4 gives more financial information by project with updates on physical progress of projects provided elsewhere on this agenda.

7.0 EARMARKED RESERVES

7.1 Earmarked Reserves for 2021/22, excluding those for Asset Plans and Strategic Funds total £4.016 million of which £1.828 million is projected to be spent in the current Financial Year. To date expenditure of £203,000 (11.1%) has been incurred. Spend to date per profiling was expected to be £238,000, therefore slippage to date is £35,000 (14.7%)

8.0 VIREMENTS

8.1 Committee are asked to approve the virement detailed in Appendix 6. £16,000 will be transferred from the Communities Committee to fund additional swimming lessons for Primary 5 pupils. These children were unable to attend when in Primary 4 due to Covid-19 restrictions

9.0 IMPLICATIONS

9.1 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					

9.2 Legal

There are no specific legal implications arising from this report.

9.3 Human Resources

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

9.4 Equalities

Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report’s recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

9.5 **Repopulation**

There are no repopulation issues with this report.

10.0 CONSULTATION

10.1 The paper has been jointly prepared by the Interim Service Director, Corporate Services & Organisational Recovery and the Corporate Director Education, Communities & Organisational Development.

11.0 BACKGROUND PAPERS

11.1 There are no background papers for this report.

Education Budget Movement - 2021/22
Period 5 - 1st April 2021 to 31st August 2021

Service	Approved Budget	Movements			Transferred to EMR £000	Revised Budget
	2021/22 £000	Inflation £000	Virement £000	Supplementary Budgets £000		2021/22 £000
Corporate Director	148					148
Education	76,992	(3)	(4,567)	1,545	(300)	73,667
Inclusive Education	14,189	10	116			14,315
Facilities Management	108					108
Totals	91,437	7	(4,451)	1,545	(300)	88,238

Movement Detail**External Resources**

Probationer Teachers 594
Recovery Teachers 951

£000
1,545

Virements

SEMP to Loan Charges (4,588)
Alcohol Team from HSCP to CLD 88
Remove Music Tuition Fees Budget 35
From Communities for Swim Lessons 16
Cleaning Reallocation (2)

(4,588)
(4,451)

Inflation

SEMP 45
Water (48)
Speech & Language Therapy 10

7

(2,899)

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 5 - 1st April 2021 to 31st August 2021**

2020/21 Actual £000	Subjective Heading	Approved Budget 2021/22 £000	Revised Budget 2021/22 £000	Projected Out-turn 2021/22 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
48,031	Employee Costs - Teachers	46,468	50,753	50,623	(130)	(0.3%)
27,423	Employee Costs - Non Teachers	26,598	28,124	28,026	(98)	(0.3%)
17,921	Property Costs	14,300	14,227	14,064	(163)	(1.1%)
5,429	Supplies & Services	5,343	5,362	5,162	(200)	(3.7%)
2,137	Transport Costs	2,210	2,210	2,146	(64)	(2.9%)
633	Administration Costs	672	674	668	(6)	(0.9%)
8,150	Other Expenditure	16,302	13,205	13,170	(35)	(0.3%)
(23,292)	Income	(20,456)	(26,017)	(25,520)	497	(1.9%)
86,432	TOTAL NET EXPENDITURE	91,437	88,538	88,339	(199)	(0.2%)
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
(2,376)	Additional Funding Covid-19	0	0	0	0	
84,056	TOTAL NET EXPENDITURE excluding Earmarked Reserves	91,437	88,238	88,039	(199)	

2020/21 Actual £000	Objective Heading	Approved Budget 2021/22 £000	Revised Budget 2021/22 £000	Projected Out-turn 2021/22 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
160	Corporate Director	148	148	156	8	5.4%
62,390	Education	61,814	63,332	63,322	(10)	(0.0%)
94	Facilities Management	108	108	109	1	0.9%
9,974	School Estate Management Plan	15,178	10,635	10,635	0	-
72,458	TOTAL EDUCATION SERVICES	77,100	74,075	74,066	(9)	(0.0%)
10,070	ASN	10,395	10,406	10,276	(130)	(1.2%)
1,656	Community Learning & Development	1,713	1,793	1,723	(70)	(3.9%)
2,088	Other Inclusive Education	2,081	2,116	2,118	2	0.1%
13,814	TOTAL INCLUSIVE EDUCATION	14,189	14,315	14,117	(198)	(1.4%)
86,432	TOTAL EDUCATION COMMITTEE	91,437	88,538	88,339	(199)	(0.2%)
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
(2,376)	Additional Funding Covid-19	0	0	0	0	
84,056	TOTAL EDUCATION COMMITTEE excluding Earmarked Reserves	91,437	88,238	88,039	(199)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 5 - 1st April 2021 to 31st August 2021**

<u>Out Turn</u> <u>2020/21</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2021/22</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-21</u> <u>£000</u>	<u>Projection</u> <u>2021/22</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
48,031	Employee Costs -Teachers	50,753	20,301	19,486	50,623	(130)	(0.3%)
27,423	Employee Costs - Non Teachers	28,124	10,787	10,925	28,026	(98)	(0.3%)
3,292	Non Domestic Rates (NDR)	3,353	3,353	3,302	3,302	(51)	(1.5%)
815	Electricity	941	392	335	911	(30)	(3.2%)
1,201	ED Cleaning Contract	1,230	513	471	1,154	(76)	(6.2%)
3,148	ED Catering Contract	3,435	1,431	1,209	3,348	(87)	(2.5%)
287	FM Catering Provisions	980	278	287	915	(65)	(6.6%)
1,021	SPT School Buses	1,190	595	556	1,112	(78)	(6.6%)
84	Pupil Transport - Consortium	60	6	8	84	24	40.0%
20	Early Years Framework	37	15	6	7	(30)	(81.1%)
(283)	School Meal Income	(1,022)	(290)	(155)	(722)	300	(29.4%)
(5,730)	FM Income	(6,250)	(2,606)	(2,267)	(6,071)	179	(2.9%)
Total Material Variances						(142)	

EDUCATION COMMITTEECAPITAL BUDGET MONITORING REPORTCURRENT POSITIONPeriod 5 - 1st April 2021 to 31st August 2021

Project Name	1	2	3	4	5	6	7	8
Est. Total Cost	Actual to 31/8/21	Approved Budget 2021/22	Revised Est. 2021/22	Actual to 23/09/21	Est. 2022/23	Est. 2023/24	Est. 2024/25	Est. Future Years
£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>SEMP Projects</u>								
Balance of Life Cycle Fund	7,589	0	737	650	630	2,438	3,000	1,501
Gourrock PS - Extension	3,084	1,567	466	1244	86	273		
Hillend Childrens Centre - Refurbishment	1,484	883	551	380	380	50		
Kelly Street Landscaping (St Mary's PS	221	24	187	187	184	10		
Demolish Sacred Heart PS	366	1	150	150	2	215		
Complete on site	196	0	6	6	0	190		
Total SEMP	12,940	2,475	2,097	2,788	1,282	3,176	3,000	1,501
<u>ELC 1140 Projects</u>								
Larkfield Childrens Centre - New Build	2906	1415	1345	1345	873	146		
Rainbow Family Centre - Extension	2378	1572	697	697	650	109		
ELC Complete On Site	19	0	13	19	12	0		
TOTAL ELC Expansion	5,303	2,987	2,055	2,061	1,535	255	0	0
<u>CFCR Projects</u>								
Glenpark ELC Outdoors - CFR	164	26	128	128	106	10		
ELC Various - Dir Access / Canopies	170	0	0	150	0	20		
	334	26	128	278	106	30	0	0
TOTAL ALL PROJECTS	18,577	5,488	4,280	5,127	2,923	3,461	3,000	1,501