
Report To:	Education & Communities Committee	Date:	30 August 2022
Report By:	Interim Director, Finance & Corporate Governance and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/48/22/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education Revenue Budget Report - Final Outturn 2021/22 and 2022/23 Projected Outturn at 30 June 2022		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 To advise Committee of the 2021/22 Education Revenue Budget final out turn and the 2022/23 Revenue Budget position at 30 June 2022.
- 1.3 In 2021/22, excluding Earmarked Reserves, there was an under spend of £334,000 against a budget figure of £87.834m This equates to 0.4% of the total budget and was £77,000 less expenditure than previously reported to Committee in March 2022.
- 1.4 The total Education Revenue Budget for 2022/23, excluding Earmarked Reserves, is currently £91.666 million. The latest projection is an overspend of £126,000. (0.1%). More details are provided in section 3 of the report and the appendices. This excludes a utilities cost pressure of over £1 million which will be reported corporately at the Policy and Resources Committee.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the final out turn for the 2021/22 Education Revenue Budget and note the current projected overspend for 2022/23 of £126,000 as at 30 June 2022.
- 2.2 It is recommended that the Committee note that the Corporate Director Education, Communities and Organisational Development and Heads of Service will review areas where non-essential spend can be reduced in order to bring the Committee back on budget. Progress against this and other proposals to bring the budget back on track, if required, will be reported at the next Committee.

Alan Puckrin
Interim Director Finance
& Corporate Governance

Ruth Binks
Corporate Director, Education
Communities & Organisational
Development

3.0 BACKGROUND AND CONTEXT

3.1 The purpose of this report is to advise Committee of the current position of the 2022/23 Revenue Budget as well as the 2021/22 final out turn and to highlight the main variances contributing to the £334,000 under spend for 2021/22 and the projected overspend of £126,000 for 2022/23.

3.2 The current Education Revenue Budget for 2022/23 is £91.666 million which is a decrease of £3.735 million from the Approved Budget. Appendix 1 provides more details of the budget movement.

3.3 2021/22 OUT TURN

The final out turn for the Education 2021/22 Revenue Budget, excluding Earmarked Reserves, was an underspend of £334,000. This was £77,000 less expenditure than reported to the last Committee in March 2022.

The performance in specific service areas was:

	Revised Budget 2021/22	Out Turn 2021/22	Variance to Budget	P9 Projected Variance	Movement Since P9 Projection
Corporate Director	150	167	17	8	9
Education Services	72,089	72,321	232	(16)	248
Inclusive Education	15,595	15,012	(583)	(249)	(334)
TOTAL NET EXPENDITURE	87,834	87,500	(334)	(257)	(77)

3.4 The major variances making up the underspend were as follows:

- (a) Underspends of £272,000 for Teachers and £223,000 for Non Teachers Employee Costs.
- (b) Overspend of £94,000 for cleaning.
- (c) Overspend of £82,000 for IT Recharges.
- (d) Underspend of £82,000 for SPT School Bus Contracts partially offset by an Overspend of £68,000 for ASN, Consortium and Internal Transport.
- (e) Underspend of £57,000 for Administration Expenditure.
- (f) Underspend of £86,000 for School Clothing Grants.
- (g) Under Recovery of £105,000 in Facilities Management Income.
- (h) Under Recovery of £326,000 in School Meals and Breakfast Clubs Income, partially offset by an underspend in Catering Provisions spend of £52,000.
- (i) Under Recovery of £95,000 in Early Years Wraparound Income.

(j) Over Recovery of £145,000 in Grant Income

3.5 2022/23 Projected Outturn (£126,000 Overspend 0.1%)

The main projected variances contributing to the net overspend are listed below –

- (a) Projected underspend of £68,000 for Teachers Employee costs.
- (b) Projected underspend £86,000 for Property Costs (£43,000 for Non Domestic Rates, £21,000 for Water and £22,000 for Biomass Fuel).
- (c) Projected underspend of £79,000 for Education Catering Contract.
- (d) Projected overspend of £163,000 for ASN Transport.
- (e) Projected underspend of £37,000 for Early Years Framework.
- (f) Projected under recovery of £37,000 due to shortfall in Breakfast Club Income.
- (g) Projected under recovery of £95,000 due to shortfall in Early Years Wrapround Income.

3.6 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, ie excluding strategic funding models. Spend to date on these operational Earmarked Reserves is currently £510,000. Expenditure levels are being reviewed to ensure that all expenditure is being allocated correctly.

4.0 PROPOSALS

- 4.1 The projected over spend of £126,000 requires to be addressed via a report to the next meeting of the Committee. In the meantime the Corporate Director will ensure that steps are taken to reduce expenditure where this will not have a direct impact on service delivery.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk	x		
Human Resources		x	
Strategic (LOIP/Corporate Plan)		x	
Equalities & Fairer Scotland Duty			x
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability			x
Data Protection			x

5.2 Finance

The projected over spend of £126,000 requires to be addressed via a report to the next meeting of the Committee. In the interim, the Corporate Director will ensure that steps are taken to reduce expenditure where this will not have a direct impact on service delivery.

This position excludes a projected overspend on electricity and gas which is currently projected to be in excess of £1 million for this Committee. This overspend is being reported within Policy & Resources Committee as a corporate overspend.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

The approved Governance Documents set out the roles and responsibilities of Committees and officers in ensuring budgets are not overspent and the process to be followed in the event an overspend is unavoidable.

5.4 Human Resources

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

5.5 Strategic

There are no specific strategic implications arising from this report.

6.0 CONSULTATION

6.1 The paper has been jointly prepared by the Interim Director, Finance and Corporate Governance and the Corporate Director, Education, Communities, and Organisational Development.

7.0 BACKGROUND PAPERS

7.1 There are no background papers for this report.

Education Budget Movement - 2022/23**Period 3 - 1st April 2022 to 30th June 2022**

Service	Approved Budget	Movements			Revised Budget	
	2022/23 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2022/23 £000
Corporate Director	150					150
Education	79,581	618	(4,656)	594	(300)	75,837
Inclusive Education	15,564	32	(23)			15,573
Facilities Management	106					106
Totals	95,401	650	(4,679)	594	(300)	91,666

Movement Detail

£000

External Resources

Probationer Teachers

594

594

VirementsSEMP to Loan Charges
ASN to Corporate Comms

(4,656)

(23)

(4,679)

InflationSEMP
Teachers Pay Award

403

247

650

(3,435)

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 3 - 1st April 2022 to 30th June 2022**

2021/22 Actual £000	Subjective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
48,707	Employee Costs - Teachers	48,911	49,752	49,684	(68)	(0.1%)
29,719	Employee Costs - Non Teachers	28,642	28,619	28,626	7	0.0%
18,509	Property Costs	14,355	14,355	14,289	(66)	(0.5%)
6,132	Supplies & Services	5,590	5,590	5,489	(101)	(1.8%)
2,163	Transport Costs	2,245	2,245	2,443	198	8.8%
675	Administration Costs	673	673	638	(35)	(5.2%)
5,029	Other Expenditure	20,131	14,742	14,702	(40)	(0.3%)
(25,264)	Income	(25,146)	(24,010)	(23,779)	231	(1.0%)
85,670	TOTAL NET EXPENDITURE	95,401	91,966	92,092	126	0.1%
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
0	Additional Funding Covid-19	0	0	0	0	
85,670	TOTAL NET EXPENDITURE excluding Earmarked Reserves	95,401	91,666	91,792	126	

2021/22 Actual £000	Objective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
167	Corporate Director	150	150	159	9	6.0%
59,979	Education	64,158	64,967	64,827	(140)	(0.2%)
115	Facilities Management	106	106	104	(2)	(1.9%)
10,398	School Estate Management Plan	15,423	11,170	11,170	0	-
70,492	TOTAL EDUCATION SERVICES	79,687	76,243	76,101	(142)	(0.2%)
11,279	ASN	11,602	11,611	11,878	267	2.3%
1,675	Community Learning & Development	1,850	1,850	1,850	0	-
2,057	Other Inclusive Education	2,112	2,112	2,104	(8)	(0.4%)
15,011	TOTAL INCLUSIVE EDUCATION	15,564	15,573	15,832	259	1.7%
85,670	TOTAL EDUCATION COMMITTEE	95,401	91,966	92,092	126	0.1%
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
0	Additional Funding Covid-19	0	0	0	0	
85,670	TOTAL EDUCATION COMMITTEE excluding Earmarked Reserves	95,401	91,666	91,792	126	

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 3 - 1st April 2022 to 30th June 2022**

<u>Out Turn</u> <u>2021/22</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2022/23</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-22</u> <u>£000</u>	<u>Projection</u> <u>2022/23</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
48,707	Employee Costs -Teachers	49,752	12,438	12,423	49,684	(68)	(0.1%)
3,303	Non Domestic Rates (NDR)	3,352	1,740	1,717	3,309	(43)	(1.3%)
243	Water	276	69	65	255	(21)	(7.6%)
26	Biomass	84	21	0	62	(22)	(26.2%)
3,728	ED Catering Contract	3,651	913	862	3,572	(79)	(2.2%)
502	ASN Transport	352	0	3	515	163	46.3%
9	Early Years Framework	37	9	0	0	(37)	(100.0%)
(11)	Breakfast Club Income	(50)	(12)	(2)	(13)	37	(74.0%)
(225)	Early Years Wrapround Income	(330)	(83)	(14)	(235)	95	(28.8%)
(6,806)	FM Income	(6,877)	(1,719)	(1,508)	(6,783)	94	(1.4%)
Total Material Variances						119	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: EDUCATION

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2022/23</u>	<u>Phased Budget To Period 3 2022/23</u>	<u>Actual To Period 3 2022/23</u>	<u>Projected Spend 2022/23</u>	<u>Amount to be Earmarked for 2023/24 & Beyond</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	
Beacon Arts	Tony McEwan	87	0	0	0	87	Beacon emergency contingency, currently no requirement for this funding in 2022/23
Year of Young People Legacy	Tony McEwan	30	0	0	30	0	£20k will be used as contribution to Free Summer Playschemes and £10k will be used to fund Clyde Conversations event
Early Years 1140	Michael Roach	1,992	510	510	1,742	250	Funding additional Teachers in Primary Schools as well as Early Years staff
Total		2,109	510	510	1,772	337	