
Report To:	Education & Communities Committee	Date:	1 November 2022
Report By:	Interim Director Finance & Corporate Governance and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/59/22/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education Revenue Budget Report - 2022/23 Projected Outturn at 31 August 2022		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 To advise Committee of the 2022/23 Education Revenue Budget position at 31 August 2022.
- 1.3 The total Education Revenue Budget for 2022/23, excluding Earmarked Reserves, is currently £92.354 million. The latest projection is an underspend of £33,000 (0.04%), which is a decrease in spend of £159,000 from Period 3. More details are provided in section 3 of the report and the appendices. This excludes a utilities cost pressure of over £1 million which has been reported corporately at the Policy and Resources Committee.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the current projected underspend for the 2022/23 Education Revenue Budget of £33,000 as at 31 August 2022.
- 2.2 It is recommended that Committee approve the virement of £23,490, as detailed in Appendix 5, from the Education Committee to the Policy & Resources Committee to fund increasing the hours of the Communications Team Leader.
- 2.3 It is recommended that the Committee note that overall between Education and Communities there is a projected overspend of £25,000 and the potential income stream identified in 5.2 of the report.

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 Education Revenue Budget and to highlight the main variances contributing to the projected underspend of £33,000.
- 3.2 The current Education Revenue Budget for 2022/23 is £92.354 million which is a decrease of £3.047 million from the Approved Budget. Appendix 1 provides more details of the budget movement.
- 3.3 **2022/23 Projected Outturn (£33,000 Underspend 0.04%)**

The main projected variances contributing to the net overspend are listed below and in Appendix 3:

- (a) Projected underspend of £260,000 for Teachers Employee costs.
- (b) Projected underspend £60,000 for Property Costs (Underspends of £44,000 for Non Domestic Rates, £19,000 for Water, £10,000 for Sanitary Products and £35,000 for Biomass Fuel. Overspend of £48,000 for Janitors and Cleaning).
- (c) Projected overspend of £312,000 for External Transport Costs (Underspends of £17,000 for SPT School Buses and £4,000 for PE Transport, Overspends of £36,000 for Gaelic Transport, £18,000 for Pupil Consortium Travel and £279,000 for ASN Transport)
- (d) Projected underspend of £55,000 for FM Catering Provisions.
- (e) Projected underspend of £37,000 for Early Years Framework.
- (f) Projected overspend of £77,000 for ASN Placements.
- (g) Projected under recovery of £45,000 due to shortfall in School Meals Income.
- (h) Projected under recovery of £38,000 due to shortfall in Breakfast Club Income.

3.4 VIREMENTS

Committee are asked to approve the virement as detailed in Appendix 5. The ASN budget will be reduced by £23,490 and transferred to the Policy & Resources Committee to fund making the Corporate Communications Team Leader a full time post.

3.5 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 £1.697 million (which is 104% of phased budget and 62% of total projected spend).

4.0 PROPOSALS

- 4.1 The projected outturn has decreased from an overspend of £126,000 at Period 3 to an underspend of £33,000 at Period 5. The Corporate Director will continue to ensure that steps are taken to reduce expenditure where necessary and maximise income to ensure that overall Education and Communities outturns within budget.

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 underspend of £33,000 will continue to be monitored and progress reported to the next meeting of the Committee. Additional income relating to New Scots will be investigated and included in future projections. It is anticipated that including this the overall Education and Communities Committee will be projecting to outturn within budget.

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.
- 6.2 The CMT support the increase in hours within Corporate Communications and the proposed virement.

7.0 **BACKGROUND PAPERS**

- 7.1 There are no background papers for this report.

Education Budget Movement - 2022/23**Period 5 - 1st April 2022 to 31st August 2022**

Service	Approved Budget	Movements			Transferred to EMR £000	Revised Budget 2022/23 £000
	2022/23 £000	Inflation £000	Virement £000	Supplementary Budgets £000		
Corporate Director	150		1			151
Education	79,581	344	(4,726)	1,463	(300)	76,362
Inclusive Education	15,564	18	(56)	123		15,649
Facilities Management	106	80	6			192
Totals	95,401	442	(4,775)	1,586	(300)	92,354

Movement Detail**External Resources**

Probationer Teachers
Teachers Pay Award 01/01/22

Virements

SEMP to Loan Charges
Funding for Whiteboards
Insurance
ASN to Corporate Comms

Inflation

SEMP
Internal Transport - Fuel
Catering Provisions

£000
594
992
1,586
(4,656)
(150)
54
(23)
(4,775)
344
18
80
442
(2,747)

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 5 - 1st April 2022 to 31st August 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	53,554	53,294	(260)	(0.5%)
29,719	Employee Costs - Non Teachers	28,642	31,007	30,998	(9)	(0.0%)
18,509	Property Costs	14,355	14,353	14,293	(60)	(0.4%)
6,132	Supplies & Services	5,590	6,014	5,855	(159)	(2.6%)
2,163	Transport Costs	2,245	2,194	2,493	299	13.6%
675	Administration Costs	673	717	682	(35)	(4.9%)
5,029	Other Expenditure	20,131	14,830	14,867	37	0.2%
(25,264)	Income	(25,146)	(30,015)	(29,861)	154	(0.5%)
85,670	TOTAL NET EXPENDITURE	95,401	92,654	92,621	(33)	(0.0%)
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
85,670	TOTAL NET EXPENDITURE EXCLUDING EARMARKED	95,401	92,354	92,321	(33)	(0.0%)

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	151	160	9	6.0%
59,979	Education	64,158	65,519	65,143	(376)	(0.6%)
115	Facilities Management	106	192	159	(33)	(17.2%)
10,398	School Estate Management Plan	15,423	11,111	11,111	0	-
70,492	TOTAL EDUCATION SERVICES	79,687	76,822	76,413	(409)	(0.5%)
11,279	ASN	11,602	11,717	12,112	395	3.4%
1,675	Community Learning & Development	1,850	1,853	1,812	(41)	(2.2%)
2,057	Other Inclusive Education	2,112	2,111	2,124	13	0.6%
15,011	TOTAL INCLUSIVE EDUCATION	15,564	15,681	16,048	367	2.3%
85,670	TOTAL EDUCATION COMMITTEE	95,401	92,654	92,621	(33)	(0.04%)
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
85,670	TOTAL EDUCATION COMMITTEE EXCLUDING EARMARKED RESERVES	95,401	92,354	92,321	(33)	(0.04%)

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 5 - 1st April 2022 to 31st August 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>31-Aug-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	53,554	21,639	21,462	53,294	(260)	(0.5%)
3,303	Non Domestic Rates (NDR)	3,352	3,352	3,308	3,308	(44)	(1.3%)
26	Biomass	84	35	0	49	(35)	(41.7%)
1,332	ED Cleaning Contract	1,240	517	523	1,272	32	2.6%
3,728	ED Catering Contract	3,414	1,423	1,342	3,325	(89)	(2.6%)
939	FM Catering Provisions	1,060	305	304	1,005	(55)	(5.2%)
42	Gaelic Transport	40	20	41	76	36	90.0%
502	ASN Transport	352	176	264	631	279	79.3%
361	ASN Placements	367	153	27	444	77	21.0%
9	Early Years Framework	37	15	0	0	(37)	(100.0%)
(665)	School Meal Income	(646)	(186)	(134)	(601)	45	(7.0%)
(11)	Breakfast Club Income	(50)	(14)	(4)	(12)	38	(76.0%)
(6,806)	FM Income	(6,877)	(2,865)	(2,461)	(6,836)	41	(0.6%)
Total Material Variances						28	

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: EDUCATION

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2022/23</u> £000	<u>Phased Budget To Period 5 2022/23</u> £000	<u>Actual To Period 5 2022/23</u> £000	<u>Projected Spend 2022/23</u> £000	<u>Amount to be Earmarked for 2023/24 & Beyond</u> £000	<u>Lead Officer Update</u>
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	20	18	30	0	£20k was used as contribution to Free Summer Playschemes and £10k will be used to fund Clyde Conversations event.
Early Years 1140	Michael Roach	1,992	752	815	1,742	250	Funding additional Teachers in Primary Schools as well as Early Years staff.
ASN Review	Tony McEwan	184	51	58	88	96	Funding for additional PSA staff up to August 2023 (then funded from 1140 EMR) Service will start 2 x new EYECO posts for current academic year pupil support and wish to fund ASN holiday care in 2023/24 with the remaining balance.
Covid Recovery - Enhanced Cleaning Buildings 2021/22	Ruth Binks	54	54	54	54	0	Spending complete, posts have ended.
Covid Recovery - Additional Cleaning Materials/ Sanitiser/Wipes 2021/22	Ruth Binks	110	0	0	30	80	£30k of costs will be transferred from FM Core budget in P7 - balance to be written back to General Reserves.
Covid Recovery - Extra Duke of Edinburgh Opportunities - 2	Ruth Binks	198	35	35	79	119	Paying for 2 additional staff members and resources for expeditions.
Covid - Level 4 2nd Phase	Tony McEwan	158	158	155	158	0	Contribution to FSM payments over summer holidays. Spending almost complete.
Covid - Teachers	Michael Roach	562	562	562	562	0	Funding for Covid Recovery teachers up to July 2022. From August 2022 these teachers will be funded from core budget.
Total		3,375	1,632	1,697	2,743	632	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget		(Decrease) Budget
		£	£
Policy & Resources - Corporate Comms Employee Costs ASN Employee Costs	1	23,490	23,490
		23,490	23,490

Note

1- Virement of £23,490 from vacant PSA posts within ASN to Policy & Resources Committee