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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>7 March 2023</b>
<b>Report By:</b>	<b>Interim Director Finance &amp; Corporate Governance and Corporate Director Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>FIN/14/23/AP/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Education Revenue Budget Report - 2022/23 Projected Outturn at 31 December 2022</b>		

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## **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 December 2022.
- 1.3 The total Education Revenue Budget for 2022/23, excluding Earmarked Reserves, is currently £94.389 million. The latest projection is an underspend of £543,000 (0.57%), which is a reduction in expenditure of £635,000 since Period 7. More details are provided in section 3 of the report and the appendices. The projection excludes a utilities cost pressure of over £1 million which has been reported corporately at the Policy and Resources Committee.
- 1.4 The movement from Period 7 Committee is predominantly due to £400,000 of savings resulting from Teachers' strike days.

## **2.0 RECOMMENDATION**

- 2.1 It is recommended that the Committee note the current projected underspend for the 2022/23 Education Revenue Budget of £543,000 as at 31 December 2022.

**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 £543,000.
- 3.2 The current Education Revenue Budget for 2022/23 is £94.389 million which is a decrease of £1.012 million from the Approved Budget. Appendix 1 provides more details of the budget movement.
- 3.3 **2022/23 Projected Outturn (£543,000 Underspend 0.57%)**

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

- (a) Projected underspend of £695,000 for Teachers Employee Costs, £400,000 of which relates to savings made as a result of Teachers' strike days.
- (b) Projected overspend of £87,000 for Non-Teachers Employee Costs, mainly due to non-achievement of turnover savings targets.
- (c) Projected underspend of £96,000 for Property Costs (Underspends of £44,000 for Non-Domestic Rates, £21,000 for Water, £20,000 for Sanitary Products and £79,000 for Biomass Fuel. Overspend of £61,000 for Janitors and Cleaning).
- (d) Projected overspend of £230,000 for External Transport Costs (Underspend of £35,000 for SPT School Buses. Overspends of £8,000 for PE Transport, £42,000 for Gaelic Transport, £18,000 for Pupil Consortium Travel and £197,000 for ASN Transport).
- (e) Projected underspend of £28,000 for Education Catering Charge in line with reduced FM Catering income.
- (f) Projected underspend of £37,000 for Early Years Framework.
- (g) Projected overspend of £93,000 for ASN Placements.
- (h) Projected under recovery of £30,000 due to shortfall in School Meals Income, £16,000 more income than previously reported.
- (i) Projected under recovery of £32,000 due to shortfall in Breakfast Club Income.
- (j) Projected over recovery of £33,000 for Facilities Management Income (over recovery of Cleaning and Janitors income in line with increased employee costs £51,000 and £10,000 and under recovery of Catering income £28,000, in line with reduced employee costs and provisions spend).
- (k) Income of £38,000 for a seconded CLD employee which relates to the previous financial year.
- (l) Income of £46,000 for New Scots initiatives, offset by additional employee costs.

### 3.4 VIREMENTS

There are no virements this Committee cycle.

### 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 £2.133 million (which is 95% of phased budget and 78% of total projected spend).

### 4.0 PROPOSALS

4.1 The Committee are asked to note the current projected underspend for 2022/23 of £543,000 as at 31 December 2022.

### 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

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

There are no specific legal implications arising from this report.

#### **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 9 - 1st April 2022 to 31st December 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	3	1			154
Education	79,581	862	(4,726)	1,539	(300)	76,956
Inclusive Education	15,564	764	(56)	271		16,543
Facilities Management	106	624	6			736
<b>Totals</b>	<b>95,401</b>	<b>2,253</b>	<b>(4,775)</b>	<b>1,810</b>	<b>(300)</b>	<b>94,389</b>

**Movement Detail****External Resources**

Probationer Teachers	594
Teachers Pay Award 01/01/22	992
Easter Study Support	76
Educational Psychologist Trainee	17
Affordable Childcare Summer Programme	131
	<u>1,810</u>

**Virements**

SEMP to Loan Charges	(4,656)
Funding for Whiteboards	(150)
Insurance	54
ASN to Corporate Comms	(23)
	<u>(4,775)</u>

**Inflation**

SEMP	344
Internal Transport - Fuel	18
Catering Provisions	80
Non Teachers Pay Award	1,811
	<u>2,253</u>

(712)

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 9 - 1st April 2022 to 31st December 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	50,860	50,165	(695)	(1.37%)
29,719	Employee Costs - Non Teachers	28,642	32,725	32,812	87	0.27%
18,509	Property Costs	14,355	14,352	14,256	(96)	(0.67%)
6,132	Supplies & Services	5,590	5,987	5,948	(39)	(0.65%)
2,163	Transport Costs	2,245	2,201	2,434	233	10.59%
675	Administration Costs	673	718	680	(38)	(5.29%)
5,029	Other Expenditure	20,131	12,694	12,734	40	0.32%
(25,264)	Income	(25,146)	(24,848)	(24,883)	(35)	0.14%
<b>85,670</b>	<b>TOTAL NET EXPENDITURE</b>	<b>95,401</b>	<b>94,689</b>	<b>94,146</b>	<b>(543)</b>	<b>(0.57%)</b>
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
<b>85,670</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED</b>	<b>95,401</b>	<b>94,389</b>	<b>93,846</b>	<b>(543)</b>	<b>(0.58%)</b>

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)
<b>167</b>	<b>Corporate Director</b>	<b>150</b>	<b>154</b>	<b>163</b>	<b>9</b>	<b>5.84%</b>
59,979	Education	64,158	66,145	65,444	(701)	(1.06%)
115	Facilities Management	106	736	735	(1)	(0.14%)
10,398	School Estate Management Plan	15,423	11,111	11,111	0	-
<b>70,492</b>	<b>TOTAL EDUCATION SERVICES</b>	<b>79,687</b>	<b>77,992</b>	<b>77,290</b>	<b>(702)</b>	<b>(0.90%)</b>
11,279	ASN	11,602	12,279	12,486	207	1.69%
1,675	Community Learning & Development	1,850	2,080	2,037	(43)	(2.07%)
2,057	Other Inclusive Education	2,112	2,184	2,170	(14)	(0.64%)
<b>15,011</b>	<b>TOTAL INCLUSIVE EDUCATION</b>	<b>15,564</b>	<b>16,543</b>	<b>16,693</b>	<b>150</b>	<b>0.91%</b>
<b>85,670</b>	<b>TOTAL EDUCATION COMMITTEE</b>	<b>95,401</b>	<b>94,689</b>	<b>94,146</b>	<b>(543)</b>	<b>(0.57%)</b>
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
<b>85,670</b>	<b>TOTAL EDUCATION COMMITTEE EXCLUDING EARMARKED RESERVES</b>	<b>95,401</b>	<b>94,389</b>	<b>93,846</b>	<b>(543)</b>	<b>(0.58%)</b>

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPeriod 9 - 1st April 2022 to 31st December 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-Dec-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	50,860	42,383	41,941	50,165	(695)	(1.4%)
30,782	Employee Costs - Non Teachers	32,725	25,198	26,146	32,812	87	0.3%
3,303	Non Domestic Rates (NDR)	3,352	3,352	3,308	3,308	(44)	(1.3%)
243	Water	276	207	191	255	(21)	(7.6%)
26	Biomass	84	70	5	5	(79)	(94.0%)
1,332	ED Cleaning Contract	1,240	930	987	1,291	51	4.1%
3,728	ED Catering Contract	3,414	2,845	2,708	3,386	(28)	(0.8%)
1,038	SPT School Buses	1,160	580	556	1,125	(35)	(3.0%)
42	Gaelic Transport	40	20	45	82	42	105.0%
502	ASN Transport	352	176	268	549	197	56.0%
361	ASN Placements	367	273	247	460	93	25.3%
9	Early Years Framework	37	31	0	0	(37)	(100.0%)
(665)	School Meal Income	(646)	(497)	(451)	(616)	30	(4.6%)
(11)	Breakfast Club Income	(50)	(39)	(13)	(18)	32	(64.0%)
(6,806)	FM Income	(6,877)	(5,158)	(4,896)	(6,910)	(33)	0.5%
0	CLD Secondment Income	0	0	(38)	(38)	(38)	
0	New Scots Income	0	0	(46)	(46)	(46)	
<b>Total Material Variances</b>						<b>(524)</b>	

**EARMARKED RESERVES POSITION STATEMENT  
COMMITTEE: EDUCATION**

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>£000</u>	<u>New Funding 2020/21</u>	<u>Write Back to Gen Reserves</u>	<u>Total Funding 2022/23</u>	<u>Phased Budget To Period 9 2022/23</u>	<u>Actual To Period 9 2022/23</u>	<u>Projected Spend 2022/23</u>	<u>Amount to be Earmarked for 2023/24 &amp; Beyond</u>	<u>Lead Officer Update</u>
			<u>£000</u>		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Beacon Arts	Tony McEwan	87			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			30	30	23	30	0	£20k used as contribution to Free Summer Playschemes and £10k will be used to fund Clyde Conversations event scheduled for Feb 2023.
Early Years 1140	Michael Roach	1,992			1,992	1,292	1,188	1,620	372	Funding additional Teachers in Primary Schools as well as Early Years staff plus core budget shortfall in 2022/23. £372k will be used to fund staffing up to June 2023.
ASN Review	Tony McEwan	184			184	99	64	184	0	Funding for additional PSA staff up to August 2022 (then funded from 1140 EMR). Service will start 2 x new EYECO posts for current academic year pupil support. Balance remaining at end of 2022/23 will be used to offset ASN Transport overspend (projected to be £96k of EMR to offset overspend).
Covid Recovery - Enhanced Cleaning Buildings 2021/22	Ruth Binks	54			54	54	54	54	0	Spending complete, posts have ended.
Covid Recovery - Additional Cleaning Materials/ Sanitiser/Wipes 2021/22	Ruth Binks	110		(80)	30	0	30	30	0	Per FM there is no longer a requirement for majority of this budget as core budget is now sufficient. £80k written back.
Covid Recovery - Extra Duke of Edinburgh Opportunities - 2 years	Ruth Binks	198		(50)	148	59	54	87	61	Paying for 2 additional staff members to November 23 and Resources. £50k written back.
Covid - Level 4 2nd Phase	Tony McEwan	158			158	158	158	158	0	Contribution to FSM payments over summer holidays (£67k) and remaining Winter Support Fund spend (£91k). Spending complete.
Covid - Teachers	Michael Roach	562			562	562	562	562	0	Funding for Covid Recovery teachers up to July 2022. From August 2022 these teachers have been funded from core budget. Spend now complete.
<b>Total</b>		<b>3,375</b>	<b>0</b>	<b>(130)</b>	<b>3,245</b>	<b>2,254</b>	<b>2,133</b>	<b>2,725</b>	<b>520</b>	