
Report To:	Education & Communities Committee	Date:	9 May 2023
Report By:	Chief Financial Officer and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/25/23/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education Revenue Budget Report - 2022/23 Projected Outturn at 28 February 2023		

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 28 February 2023.
- 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 £701,000 (0.7%), which is a reduction in expenditure of £158,000 since Period 9. 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 9 Committee is predominantly due to an additional £261,000 of savings resulting from additional 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 £701,000 as at 28 February 2023.

Alan Puckrin
Chief Financial Officer

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 £701,000.
- 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 (£701,000 Underspend 0.7%)**

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

- (a) Projected underspend of £875,000 for Teachers Employee Costs, £661,000 of which relates to savings made as a result of Teachers' strike days.
- (b) Projected overspend of £70,000 for Non-Teachers Employee Costs, mainly due to non-achievement of turnover savings targets. The overspend has reduced by £17,000 since last Committee.
- (c) Projected underspends of £42,000 for Non-Domestic Rates, £23,000 for Water and £78,000 for Biomass Fuel.
- (d) Projected overspend of £83,000 for Education Cleaning Contract. This is mainly due to high levels of overtime being worked to cover sickness absence and the non-achievement of Employee Turnover Savings.
- (e) Projected overspend of £54,000 for Facilities Management Catering supplies, due to cost increases. Officers are investigating further to clarify the impact for 2023/24.
- (f) Projected underspend of £24,000 for Education Catering Contract as a result of reduced Catering Employee Costs partially offset by the overspend on Catering Disposable Items.
- (g) 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). This is in line with the P9 projection.
- (h) Projected overspend of £44,000 for Internal Transport Drivers.
- (i) Projected underspend of £20,000 for Hospital Tuition.
- (j) Projected underspend of £37,000 for Early Years Framework.
- (k) Projected overspend of £163,000 for ASN Placements. This is £70,000 more than previously projected due to new placements. However, there has been an increase in ASN Income from Other Local Authorities per note (p) below.
- (l) Projected under recovery of £35,000 due to shortfall in School Meals Income.
- (m) Projected under recovery of £32,000 due to shortfall in Breakfast Club Income.
- (n) Projected under recovery of £24,000 for School Milk Subsidy.

- (o) Projected over recovery of £69,000 for Facilities Management Income (Cleaning and Janitors over recovery of £93,000 offset by £24,000 under recovery for Catering.)
- (p) Projected over recovery of £80,000 for ASN Income from Other Local Authorities.
- (q) Income of £38,000 for a seconded CLD employee which relates to the previous financial year.
- (r) 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 £2.269 million (which is 87.5% of phased budget and 82.4% of total projected spend).

4.0 PROPOSALS

- 4.1 The Committee are asked to note the current projected underspend for 2022/23 of £701,000 as at 28 February 2023.

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 Chief Financial Officer 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 11 - 1st April 2022 to 28th February 2023**

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
Totals	95,401	2,253	(4,775)	1,810	(300)	94,389

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 11 - 1st April 2022 to 28th February 2023**

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	50,800	49,925	(875)	(1.7%)
29,719	Employee Costs - Non Teachers	28,642	31,973	32,043	70	0.2%
18,509	Property Costs	14,355	14,360	14,338	(22)	(0.2%)
6,132	Supplies & Services	5,590	5,939	5,917	(22)	(0.4%)
2,163	Transport Costs	2,245	2,224	2,482	258	11.6%
675	Administration Costs	673	722	683	(39)	(5.4%)
5,029	Other Expenditure	20,131	13,593	13,681	88	0.6%
(25,264)	Income	(25,146)	(24,922)	(25,081)	(159)	0.6%
85,670	TOTAL NET EXPENDITURE	95,401	94,689	93,988	(701)	(0.7%)
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
85,670	TOTAL NET EXPENDITURE EXCLUDING EARMARKED	95,401	94,389	93,688	(701)	(0.7%)

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	155	164	9	5.8%
59,979	Education	64,158	66,583	65,760	(823)	(1.2%)
115	Facilities Management	106	192	202	10	5.2%
10,398	School Estate Management Plan	15,423	11,111	11,111	0	-
70,492	TOTAL EDUCATION SERVICES	79,687	77,886	77,073	(813)	(1.0%)
11,279	ASN	11,602	12,292	12,476	184	1.5%
1,675	Community Learning & Development	1,850	2,080	2,045	(35)	(1.7%)
2,057	Other Inclusive Education	2,112	2,276	2,230	(46)	(2.0%)
15,011	TOTAL INCLUSIVE EDUCATION	15,564	16,648	16,751	103	0.6%
85,670	TOTAL EDUCATION COMMITTEE	95,401	94,689	93,988	(701)	(0.7%)
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	94,389	93,688	(701)	(0.7%)

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 11 - 1st April 2022 to 28th February 2023**

<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>28-Feb-23</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	50,800	46,567	45,954	49,925	(875)	(1.7%)
30,782	Employee Costs - Non Teachers	31,973	27,081	27,479	32,043	70	0.2%
3,303	Non Domestic Rates (NDR)	3,352	3,352	3,308	3,310	(42)	(1.3%)
243	Water	276	230	211	253	(23)	(8.3%)
26	Biomass	84	77	6	6	(78)	(92.9%)
56	FM Catering Disposable Items	46	42	87	100	54	117.4%
1,332	ED Cleaning Contract	1,240	1,137	1,258	1,323	83	6.7%
3,728	ED Catering Contract	3,414	3,130	3,160	3,390	(24)	(0.7%)
417	Internal Transport - Drivers	440	403	356	484	44	10.0%
1,038	SPT School Buses	1,160	1,160	1,056	1,125	(35)	(3.0%)
42	Gaelic Transport	40	40	81	82	42	105.0%
502	ASN Transport	352	352	524	549	197	56.0%
3	Hospital Tuition	26	24	4	6	(20)	(76.9%)
361	ASN Placements	367	336	358	530	163	44.4%
9	Early Years Framework	37	34	0	0	(37)	(100.0%)
(7)	Milk Subsidy	(35)	(32)	(8)	(11)	24	(68.6%)
(665)	School Meal Income	(646)	(543)	(517)	(611)	35	(5.4%)
(11)	Breakfast Club Income	(50)	(42)	(15)	(18)	32	(64.0%)
(6,806)	FM Income	(6,877)	(6,067)	(6,241)	(6,946)	(69)	1.0%
(369)	Income from Other Local Authorities	(399)	(366)	(418)	(479)	(80)	20.1%
0	CLD Secondment Income	0	0	(38)	(38)	(38)	
0	New Scots Income	0	0	(46)	(46)	(46)	
Total Material Variances						(623)	

**EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: EDUCATION**

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2019/20 £000</u>	<u>New Funding 2020/21 £000</u>	<u>Write Back to Gen Reserves</u>	<u>Total Funding 2022/23 £000</u>	<u>Phased Budget To Period 11 2022/23 £000</u>	<u>Actual To Period 11 2022/23 £000</u>	<u>Projected Spend 2022/23 £000</u>	<u>Amount to be Earmarked for 2023/24 & Beyond £000</u>	<u>Lead Officer Update</u>
Beacon Arts	Tony McEwan	87	87		0	0	0	27	60	Currently no requirement for the Beacon emergency contingency (£60k). Payment of £27k will be made in Period 12, which is the remainder of the Spend to Save monies.
Year of Young People Legacy	Tony McEwan	30	30		30	30	27	30	0	£20k used as contribution to Free Summer Playschemes and £10k used to fund Clyde Conversations event in Feb 2023.
Early Years 1140	Michael Roach	1,992	1,992		1,592	1,316	1,316	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		123	64	64	184	0	Funding for additional PSA staff up to August 2022 (then funded from 1140 EMR). Service started 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	54	0	Spending complete, posts have ended.
Covid Recovery - Additional Cleaning Materials/ Sanitiser/Wipes 2021/22	Ruth Binks	110	30	(80)	0	30	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	148	(50)	75	58	58	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	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	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.
Total		3,375	0	(130)	3,245	2,594	2,269	2,752	493	