
Report To:	Education & Communities Committee	Date:	7 November 2023
Report By:	Chief Financial Officer and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/69/23/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education Revenue Budget Report - 2023/24 Projected Outturn at 31 August 2023		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to advise Committee of the 2023/24 Revenue Budget position at 31 August 2023 and to highlight a projected overspend of £713,000.
- 1.3 The total Education Revenue Budget for 2023/24, excluding Earmarked Reserves, is currently £102.51m. The latest projection is an overspend of £713,000, an increase of £355,000 since last Committee. More details are provided in section 3.3 of the report and the appendices.
- 1.4 The Corporate Director Education, Communities and Organisational Development and Heads of Service are reviewing areas where non-essential spend can be reduced in order to bring the Education Budget back on target, whilst a budget pressure in relation to ASN transport is being considered by the Policy & Resources Committee at its meeting on 21 November.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the current projected overspend for 2023/24 of £713,000, at 31 August 2023.
- 2.2 It is recommended that the Committee note that action taken to reduce the projected overspend and other proposals to bring the budget back on track will be reported to the next Committee.
- 2.3 It is recommended that the Committee note that the Communities part of the Committee is currently projecting an underspend of £218,000, £155,000 of which relates to Inverclyde Leisure utility bills and will be returned to the non pay inflation contingency by year end, The remaining balance partially offsets the projected overspend for the Education part of the Committee.

Alan Puckrin
Chief Financial Officer

Ruth Binks
Corporate Director
Education, Communities & ODHR

3.0 BACKGROUND AND CONTEXT

- 3.1 The purpose of this report is to advise Committee of the current position of the 2023/24 Revenue Budget and to highlight the main variances contributing to the projected overspend of £713,000 for 2023/24.
- 3.2 The current Education Revenue Budget for 2023/24 is £102.51m which is an increase of £7.695m from the Approved Budget, largely due to allocations from the Inflation Contingency. Appendix 1 provides more details of the budget movement.
- 3.3 **2023/24 Projected Outturn (£713,000 overspend 0.7%)**

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

- (a) Employee Costs are projected to overspend by £36,000. Non achievement of turnover savings within ASN Education and Active Schools is partially offset by underspends for Teachers and Community Learning and Development. This does not reflect any savings from the recent strike days within schools.
- (b) Water projected to underspend by £41,000, an increase in expenditure of £5,000 since last Committee.
- (c) Biomass fuel projected to underspend by £84,000, as previously reported partly offset by reduced income (see below). The system was switched off part way through 2022/23 due to large price increases making gas heating cheaper. The system is expected to remain off for 2023/24.
- (d) Education Janitors projected to underspend by £30,000 due to additional turnover savings within Facilities Management.
- (e) Education Cleaning contract projected to overspend by £35,000, a reduction in spend of £39,000 from last Committee mainly due to an increase in turnover savings.
- (f) FM Catering & Cleaning Materials projected to overspend by £41,000.
- (g) Following an allocation of £100,000 from the Inflation Contingency, FM Catering Provisions are projected to overspend by £32,000.
- (h) ASN Transport is projected to overspend by £330,000, an increase of £157,000 since last Committee based on projections received from SPT.
- (i) SPT School Buses projected to overspend by £60,000 and Primary School Gaelic Transport projected to overspend by £58,000 in line with revised SPT projections. Pupil Vocational Transport projected to overspend by £50,000, in line with Period 3.
- (j) Secondary Schools telephones projected to underspend by £28,000. This is a historical unused budget since costs were incorporated with Line Rental costs and a virement proposal to offset overspends will be prepared for the next meeting.
- (k) ASN Placements are projected to overspend by £106,000 partly offset by income from other councils. Headquarters ASN Support budget is projected to overspend by £27,000.
- (l) School Meal Income projected to under recover by £118,000 due to lower uptake in Secondary Schools. An action plan to increase demand is being progressed by the service. In addition, Breakfast Club Income is projected to under recover by £32,000 due to lower demand.

(m) Renewable Heat Incentive (RHI) Income is projected to under recover by £45,000. This is due to the Biomass system being switched off and is more than offset by reduced biomass fuel costs.

(n) Income from Other Local Authorities for ASN Placements is projected to over recover by £60,000.

3.4 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 103% of phased spend and 50% of total budget.

4.0 PROPOSALS

4.1 The Corporate Director will ensure that steps are taken to reduce expenditure where this will not have a direct impact on service delivery. In addition, a time limited budget pressure is being requested as part of the 2024/26 Budget development in relation to ASN Transport. If approved by the Policy & Resources Committee this will reduce the overall projected overspend by almost 50%.

4.2 It should be noted that the Communities part of the Committee is currently projecting an underspend of £218,000 which partially offsets the projected overspend for the Education part of the Committee. However, this underspend is mainly due to underspends in the IL utility budget which will be returned to the non-pay inflation contingency by 31 March 2024.

5.0 IMPLICATIONS

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

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

5.2 Finance

The projected overspend of £713,000 is being reviewed and the Corporate Director will ensure that steps are taken to reduce expenditure where this will not have a direct impact on service delivery. An update on actions taken will be reported to the next meeting of the Committee.

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 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 - 2023/24

Period 5 - 1st April 2023 to 31st August 2023

Service	Approved Budget	Movements			Revised Budget	
	2023/24 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2023/24 £000
Corporate Director	159					159
Education	77,969	6,489	(162)	594	(300)	84,590
Inclusive Education	16,874	665	57	52		17,648
Facilities Management	113					113
Totals	95,115	7,154	(105)	646	(300)	102,510

Movement Detail

£000

External Resources

Probationer Teachers
Psychologist Probationer
Music Grant

594
17
35

646

Virements

School Libraries to Public Libraries

(105)

(105)

Inflation

SEMP Unitary Charge
Teachers Pay Award
Catering Provisions
NDR Inflation

760
5,847
100
447

7,154

7,695

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 5 - 1st April 2023 to 31st August 2023**

2022/23 Actual £000	Subjective Heading	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Over/ (Under)
53,195	Employee Costs - Teachers	49,143	59,000	58,966	(34)	(0.1%)
32,482	Employee Costs - Non Teachers	30,509	31,613	31,683	70	0.2%
19,328	Property Costs	21,105	22,309	22,177	(132)	(0.6%)
6,795	Supplies & Services	6,118	6,482	6,433	(49)	(0.8%)
2,552	Transport Costs	2,331	2,331	2,856	525	22.5%
693	Administration Costs	672	640	615	(25)	(3.9%)
6,613	Other Expenditure	5,409	6,141	6,278	137	2.2%
(25,131)	Income	(20,172)	(25,706)	(25,485)	221	(0.9%)
96,527	TOTAL NET EXPENDITURE	95,115	102,810	103,523	713	0.7%
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
96,527	TOTAL NET EXPENDITURE EXCLUDING EARMARKED	95,115	102,510	103,223	713	0.7%

2022/23 Actual £000	Objective Heading	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Over/ (Under)
173	Corporate Director	159	159	170	11	6.9%
68,420	Education	66,917	73,077	73,225	148	0.2%
114	Facilities Management	113	113	110	(3)	(2.7%)
10,799	School Estate Management Plan	11,052	11,812	11,812	0	-
79,333	TOTAL EDUCATION SERVICES	78,082	85,002	85,147	145	0.2%
12,766	ASN	12,225	12,861	13,457	596	4.6%
2,028	Community Learning & Development	2,602	2,598	2,496	(102)	(3.9%)
2,227	Other Inclusive Education	2,047	2,190	2,253	63	2.9%
17,021	TOTAL INCLUSIVE EDUCATION	16,874	17,649	18,206	557	3.2%
96,527	TOTAL EDUCATION COMMITTEE	95,115	102,810	103,523	713	0.7%
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
96,527	TOTAL EDUCATION COMMITTEE EXCLUDING EARMARKED RESERVES	95,115	102,510	103,223	713	0.7%

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 5 - 1st April 2023 to 31st August 2023**

<u>Out Turn</u> <u>2022/23</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2023/24</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-23</u> <u>£000</u>	<u>Projection</u> <u>2023/24</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
53,538	Employee Costs - Teachers	59,000	23,525	23,517	58,966	(34)	(0.1%)
32,482	Employee Costs - Non Teachers	31,613	12,159	12,279	31,683	70	0.2%
252	Water	289	72	50	248	(41)	(14.2%)
6	Biomass	84	35	0	0	(84)	(100.0%)
1,199	ED Janitors	1,177	490	407	1,147	(30)	(2.5%)
1,531	ED Cleaning Contract	1,344	560	526	1,379	35	2.6%
87	FM Catering - Cleaning Materials	46	19	44	87	41	89.1%
1,096	FM Catering - Provisions	1,160	335	361	1,192	32	2.8%
1,122	SPT School Buses	1,160	483	610	1,220	60	5.2%
96	Gaelic Transport	13	5	36	71	58	446.2%
646	ASN Transport	455	190	393	785	330	72.5%
25	Pupil Vocational Transport	13	5	47	63	50	384.6%
0	Telephones (Secondary)	31	13	0	0	(31)	(100.0%)
73	ASN HQ Support	54	23	19	81	27	50.0%
541	ASN Placements	371	124	113	477	106	28.6%
(613)	School Meal Income	(608)	(176)	(136)	(490)	118	(19.4%)
(18)	Breakfast Club Income	(50)	(14)	(5)	(18)	32	(64.0%)
(57)	Renewable Heat Incentive Income	(55)	(23)	(2)	(10)	45	(81.8%)
(481)	Income from Other Local Authorities	(434)	(145)	(100)	(494)	(60)	13.8%
Total Material Variances						724	

EARMARKED RESERVES POSITION STATEMENT**COMMITTEE: EDUCATION**

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2023/24</u> <u>£000</u>	<u>Phased Budget To Period 5 2023/24</u> <u>£000</u>	<u>Actual To Period 5 2023/24</u> <u>£000</u>	<u>Projected Spend 2023/24</u> <u>£000</u>	<u>Amount to be Earmarked for 2024/25 & Beyond</u> <u>£000</u>	<u>Lead Officer Update</u>
Beacon Arts	Tony McEwan	60	0	0	0	60	Contingency Balance currently unallocated.
Early Years 1140	Michael Roach	635	358	358	635	0	Funding staff to mid August 23 (£604k) with balance being used for Resources.
Covid Recovery - Extra Duke of Edinburgh Opportunities - 2 years	Ruth Binks	62	35	27	62	0	Funding for 2 fte posts up to November 2023.
New Scots Funding	Michael Roach	287	23	44	156	131	Funding 1.6fte EAL Teachers from Apr 23 to Jul 24 and 1fte EAL Teacher from Aug 23 to Jul 24. Additional 1fte Teacher currently being advertised.- £78k of the c/f balance- currently uncommitted.
Total		1,044	416	429	853	191	