
Report To:	Education & Communities Committee	Date:	23 January 2024
Report By:	Chief Financial Officer and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/85/23/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education Revenue Budget Report - 2023/24 Projected Outturn at 31 October 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 October 2023 and to highlight a projected overspend of £302,000.
- 1.3 The total Education Revenue Budget for 2023/24, excluding Earmarked Reserves, is currently £102.79m. The latest projection is an overspend of £302,000, a decrease of £411,000 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. A one-off budget pressure of £600,000 in relation to ASN Transport was approved by the Policy & Resources Committee at its meeting on 21 November to cover 2023/25, of which £100,000 will be utilised in 2023/24 to reduce the ASN Transport pressure.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the current projected overspend for 2023/24 of £302,000, at 31 October 2023.
- 2.2 It is recommended that the Committee note that the projected overspend has reduced since last Committee mainly due to a credit within Employee Costs of £127,000 for strike days in schools, £247,000 of additional funding for the Teachers' Induction Programme and £100,000 of the ASN Smoothing Reserve to offset ASN Transport costs.
- 2.3 It is recommended that the Committee note that the Communities part of the Committee is currently projecting an underspend of £210,000 which 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 £302,000 for 2023/24.
- 3.2 The current Education Revenue Budget for 2023/24 is £102.79m which is an increase of £7.672m 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 (£302,000 overspend 0.3%)**

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

- (a) Employee Costs are projected to underspend by £443,000, a reduction in expenditure of £479,000 since last Committee. Additional funding of £247,000 has been received for the Teachers Induction Programme and a saving of £127,000 was achieved due to Non-Teachers strike days in schools.
- (b) Water projected to underspend by £42,000, a decrease in expenditure of £1,000 since last Committee.
- (c) Biomass fuel projected to underspend by £84,000, as previously reported. This is 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 the remainder of 2023/24.
- (d) Education Janitors projected to underspend by £30,000 due to additional turnover savings within Facilities Management, as previously reported.
- (e) Education Cleaning contract projected to overspend by £63,000, an increase in spend of £28,000 since last Committee, mainly due to the use of agency staff to cover vacancies up to August 2023.
- (f) Within Facilities Management Catering, Cleaning Materials used in kitchens are projected to overspend by £41,000, as previously reported.
- (g) Facilities Management Catering Provisions are projected to overspend by £33,000, an increase in expenditure of £1,000 since last Committee.
- (h) ASN Transport is projected to overspend by £250,000 after £100,000 is funded from the ASN Smoothing Reserve, a net reduction of £80,000 since last Committee.
- (i) SPT School Buses are projected to overspend by £12,000, a decrease in expenditure of £48,000 since last Committee. Gaelic Transport is projected to overspend by £62,000, an increase of £4,000 from Period 5. These revised projections are based on updated information received from SPT. Pupil Vocational Transport is projected to overspend by £50,000, in line with Period 5.
- (j) Internal Transport Drivers projected to overspend by £25,000.
- (k) Secondary Schools telephones projected to underspend by £29,000. An increase in the Council's internet capacity is being progressed to allow for additional requirement in schools. This is likely to cost in the region of £5,000. When the final figure is known, this underspend will be used to fund the increased capacity, with the remaining budget being vired to address other pressures in the Service. This will be included in a future Committee report.

- (l) Legal Fees of £30,000, for which there is no designated budget, have been incurred since the Period 5 report.
- (m) ASN Placements are projected to overspend by £106,000 and Headquarters ASN Support budget is projected to overspend by £27,000. This is the same position as was reported to the last Committee.
- (n) School Meal Income is projected to under recover by £109,000. This is £9,000 more income than previously reported to Committee. An action plan to increase demand is being progressed by the service.
- (o) Breakfast Club Income is projected to under recover by £32,000, the same as previously reported to Committee. Demand for the service continues to be lower than budgeted.
- (p) 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.
- (q) Income from Other Local Authorities for ASN Placements is projected to over recover by £60,000, the same as previously reported to Committee.
- (r) Facilities Management Income is projected to under recover by £77,000, this is offset by underspends, mainly in Employee Costs.

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 107% of phased spend and 63% of the projected expenditure for 2023/24.

4.0 PROPOSALS

- 4.1 The Corporate Director will continue to ensure that steps are taken to reduce expenditure where this will not have a direct impact on service delivery.
- 4.2 It should be noted that the Communities part of the Committee is currently projecting an underspend of £210,000 which partially offsets the projected overspend for the Education part of the Committee.

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 £302,000 is being reviewed and the Corporate Director will ensure that steps continue to be 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 7 - 1st April 2023 to 31st October 2023

Service	Approved Budget	Movements			Revised Budget 2023/24 £000	
	2023/24 £000	Inflation £000	Virement £000	Supplementary Budgets £000		Transferred to EMR £000
Corporate Director	159					159
Education	77,969	6,517	(416)	842	(300)	84,612
Inclusive Education	16,874	676	301	52		17,903
Facilities Management	113					113
Totals	95,115	7,193	(115)	894	(300)	102,787

Movement Detail

External Resources

Probationer Teachers	842
Psychologist Probationer	17
Music Grant	35

Virements

School Libraries to Public Libraries

Inflation

SEMP Unitary Charge	799
Teachers Pay Award	5,847
Catering Provisions	100
NDR Inflation	447

894
(115)
799
5,847
100
447
7,193
7,972

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 7 - 1st April 2023 to 31st October 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	57,915	57,579	(336)	(0.6%)
32,482	Employee Costs - Non Teachers	30,509	31,043	30,936	(107)	(0.3%)
19,328	Property Costs	21,105	22,400	22,335	(65)	(0.3%)
6,795	Supplies & Services	6,118	6,281	6,409	128	2.0%
2,552	Transport Costs	2,331	2,358	2,767	409	17.3%
693	Administration Costs	672	660	664	4	0.6%
6,613	Other Expenditure	5,409	6,343	6,503	160	2.5%
(25,131)	Income	(20,172)	(23,913)	(23,804)	109	(0.5%)
96,527	TOTAL NET EXPENDITURE	95,115	103,087	103,389	302	0.3%
0	Earmarked Reserves	0	0	0	0	
0	Loan Charges / DMR	0	(300)	(300)	0	
96,527	TOTAL NET EXPENDITURE EXCLUDING EARMARKED	95,115	102,787	103,089	302	0.3%

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	171	12	7.5%
68,420	Education	66,917	73,071	72,888	(183)	(0.3%)
114	Facilities Management	113	113	107	(6)	(5.3%)
10,799	School Estate Management Plan	11,052	11,841	11,841	0	-
79,333	TOTAL EDUCATION SERVICES	78,082	85,025	84,836	(189)	(0.2%)
12,766	ASN	12,225	13,116	13,625	509	3.9%
2,028	Community Learning & Development	2,602	2,597	2,468	(129)	(5.0%)
2,227	Other Inclusive Education	2,047	2,190	2,289	99	4.5%
17,021	TOTAL INCLUSIVE EDUCATION	16,874	17,903	18,382	479	2.7%
96,527	TOTAL EDUCATION COMMITTEE	95,115	103,087	103,389	302	0.3%
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	102,787	103,089	302	0.3%

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 7 - 1st April 2023 to 31st October 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-Oct-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	57,915	33,012	32,398	57,579	(336)	(0.6%)
32,482	Employee Costs - Non Teachers	31,043	16,715	16,908	30,936	(107)	(0.3%)
252	Water	289	145	116	247	(42)	(14.5%)
6	Biomass	84	49	0	0	(84)	(100.0%)
1,199	ED Janitors	1,177	589	489	1,147	(30)	(2.5%)
1,531	ED Cleaning Contract	1,344	672	610	1,407	63	4.7%
87	FM Catering - Cleaning Materials	46	27	62	87	41	89.1%
1,096	FM Catering - Provisions	1,160	580	655	1,193	33	2.8%
477	Internal Transport - Drivers	477	278	270	502	25	5.2%
96	Gaelic Transport	13	7	37	75	62	476.9%
646	ASN Transport	455	265	391	705	250	54.9%
25	Pupil Vocational Transport	13	7	49	63	50	384.6%
0	Telephones (Secondary)	29	17	0	0	(29)	(100.0%)
0	Legal Costs - Employment Tribunal	0	0	6	30	30	N/A
73	ASN HQ Support	54	32	27	81	27	50.0%
541	ASN Placements	371	186	172	477	106	28.6%
(613)	School Meal Income	(608)	(304)	(243)	(499)	109	(17.9%)
(18)	Breakfast Club Income	(50)	(25)	(8)	(18)	32	(64.0%)
(57)	Renewable Heat Incentive Income	(55)	(32)	(6)	(10)	45	(81.8%)
(481)	Income from Other Local Authorities	(434)	(217)	(100)	(494)	(60)	13.8%
(7,672)	FM Income	(7,597)	(3,799)	(3,228)	(7,520)	77	(1.0%)
Total Material Variances						262	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: EDUCATION

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2023/24</u> £000	<u>Phased Budget To Period 7 2023/24</u> £000	<u>Actual To Period 7 2023/24</u> £000	<u>Projected Spend 2023/24</u> £000	<u>Amount to be Earmarked for 2024/25 & Beyond</u> £000	<u>Lead Officer Update</u>
Beacon Arts Early Years 1140	Tony McEwan Michael Roach	60 635	0 364	0 396	0 572	60 63	Contingency Balance currently unallocated. Funded staff up to Aug 23, balance has been allocated as follows, Resources £120k, CFCR £20k, Pay Award £8k, Barnardos £7k, Training £15k. £63k is currently unallocated and can be w/b General Reserves.
Covid Recovery - Extra Duke of Edinburgh Opportunities - 2 years New Scots Funding	Ruth Binks Michael Roach	62 287	51 51	33 69	62 156	0 131	Funding for 2 fte posts up to November 2023, balance funding equipment 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	466	498	790	254	