
Report To:	Education & Communities Committee	Date:	19 March 2024
Report By:	Chief Financial Officer and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/15/24/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education Revenue Budget Report - 2023/24 Projected Outturn at 31 December 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 December 2023 and to highlight a projected overspend of £161,000.
- 1.3 The total Education Revenue Budget for 2023/24, excluding Earmarked Reserves, is currently £105.006m. The latest projection is an overspend of £161,000, a decrease in overspend of £141,000 since last Committee, mainly due to an improvement in School Meal Income and a reduction in ASN Transport costs. 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 continuing to review areas where non-essential spend can be reduced in order to bring the Education Budget back on target.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the current projected overspend for 2023/24 of £161,000, at 31 December 2023.
- 2.2 It is recommended that the Committee note that the Communities part of the Committee is currently projecting an underspend of £151,000 which largely 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 £161,000 for 2023/24.
- 3.2 The current Education Revenue Budget for 2023/24 is £105.006m which is an increase of £9.891m 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 (£161,000 overspend 0.2%)**

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

- (a) Employee Costs are projected to underspend by £325,000, an increase in expenditure of £118,000 since last Committee. Additional funding of £265,000 has been received for the Teachers Induction Programme and a saving of £165,000 was achieved due to Non-Teachers strike days in schools. Across the service there is a net underachievement of turnover savings of £105,000.
- (b) Water is projected to underspend by £42,000, as previously reported to Committee.
- (c) Biomass fuel is 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 recharges from Facilities Management are overall projected to underspend by £60,000. This is made up of an underspend of £18,000 for Janitors and an underspend on Catering of £86,000, both mainly due to turnover savings within Facilities Management partially offset by increased supplies and services costs; as well as an overspend on Cleaning of £44,000 due to increased supplies and services costs and use of agency staff to cover vacancies.
- (e) Within Facilities Management Catering, Cleaning Materials used in kitchens are projected to overspend by £41,000, as previously reported.
- (f) Facilities Management Catering Provisions are projected to overspend by £33,000, the same as previously reported.
- (g) ASN Transport is projected to overspend by £203,000 after £100,000 is funded from the ASN Smoothing Reserve, a reduction of £47,000 since last Committee. This movement is mainly due to a reduction in projected costs for transportation to placements outwith Inverclyde.
- (h) Gaelic Transport is projected to overspend by £63,000, an increase of £1,000 since last Committee. Pupil Vocational Transport is projected to overspend by £50,000, the same as previously reported to Committee.
- (i) Internal Transport Drivers is projected to overspend by £42,000, an increase of £17,000 since last Committee. These costs mainly relate to vehicles for ASN contracts.
- (j) 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 £8,000. 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.

- (k) Legal Fees projected to overspend by £30,000, as previously reported to Committee.
- (l) Projected underspend of £29,000 for Cashless Catering Maintenance. This is a one-off saving due to replacement of the current system with a new one which does not require maintenance in first year.
- (m) ASN Placements are projected to overspend by £106,000 and Headquarters ASN Support budget is projected to overspend by £27,000. This is in line with what was previously reported to Committee.
- (n) School Meal Income is projected to under recover by £39,000. This is £70,000 more income than previously reported to Committee. The improvement is mainly due to a re-evaluation of the projection and an increase in uptake of meals. An action plan to increase demand continues to be progressed by the service.
- (o) Breakfast Club Income is projected to under recover by £32,000, 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, the same as previously reported to Committee. This is due to the Biomass system being switched off and is more than offset by reduced biomass fuel costs, per 3.3 (c) above.
- (q) Income from Other Local Authorities for ASN Placements is projected to over recover by £60,000, as previously reported to Committee.
- (r) Facilities Management Income is projected to under recover by £21,000, in line with variances in expenditure. This is made up of an £82,000 over recovery in Cleaning offset by under recoveries in Janitors of £17,000 and Catering of £86,000.

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 102% of phased spend and 70% of the projected expenditure for 2023/24.

4.0 PROPOSALS

- 4.1 The Corporate Director and Heads of Service 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 £151,000 which largely 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 £161,000 is being reviewed and the Corporate Director and Heads of Service will ensure that steps continue to be taken to reduce expenditure where this will not have a direct impact on service delivery.

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 9 - 1st April 2023 to 31st December 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	14				173
Education	77,969	8,032	(360)	859	(300)	86,200
Inclusive Education	16,874	1,330	245	102	(50)	18,501
Facilities Management	113	19				132
Totals	95,115	9,395	(115)	961	(350)	105,006

Movement Detail

£000

External Resources

Probationer Teachers	859
Psychologist Probationer	15
Music Grant	35
CLD Summer of Fun	52

961

Virements

School Libraries to Public Libraries	(115)
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(115)

Inflation

SEMP Unitary Charge	789
Teachers Pay Award	6,110
Non Teacher Pay Award	1,732
Catering Provisions	100
Refuse Collection	189
SPT Buses	18
Speech & Language Therapy	10
NDR Inflation	447

9,395

10,241

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****Period 9 - 1st April 2023 to 31st December 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	56,454	56,104	(350)	(0.6%)
32,482	Employee Costs - Non Teachers	30,509	33,279	33,304	25	0.1%
19,328	Property Costs	21,105	22,587	22,516	(71)	(0.3%)
6,795	Supplies & Services	6,118	6,345	6,357	12	0.2%
2,552	Transport Costs	2,331	2,376	2,736	360	15.2%
693	Administration Costs	672	661	662	1	0.2%
6,613	Other Expenditure	5,409	6,028	6,132	104	1.7%
(25,131)	Income	(20,172)	(22,374)	(22,294)	80	(0.4%)
96,527	TOTAL NET EXPENDITURE	95,115	105,356	105,517	161	0.2%
0	Earmarked Reserves	0	(50)	(50)	0	
0	DMR	0	(300)	(300)	0	
96,527	TOTAL NET EXPENDITURE EXCLUDING EARMARKED	95,115	105,006	105,167	161	0.2%

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	173	185	12	6.9%
68,420	Education	66,917	74,670	74,229	(441)	(0.6%)
114	Facilities Management	113	121	122	1	0.8%
10,799	School Estate Management Plan	11,052	11,841	11,841	0	-
79,333	TOTAL EDUCATION SERVICES	78,082	86,632	86,192	(440)	(0.5%)
12,766	ASN	12,225	13,561	14,113	552	4.1%
2,028	Community Learning & Development	2,602	2,707	2,632	(75)	(2.8%)
2,227	Other Inclusive Education	2,047	2,283	2,395	112	4.9%
17,021	TOTAL INCLUSIVE EDUCATION	16,874	18,551	19,140	589	3.2%
96,527	TOTAL EDUCATION COMMITTEE	95,115	105,356	105,517	161	0.2%
0	Earmarked Reserves	0	(50)	(50)	0	
0	DMR	0	(300)	(300)	0	
96,527	TOTAL EDUCATION COMMITTEE EXCLUDING EARMARKED RESERVES	95,115	105,006	105,167	161	0.2%

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****Period 9 - 1st April 2023 to 31st December 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-Dec-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	56,454	42,340	42,040	56,104	(350)	(0.6%)
32,482	Employee Costs - Non Teachers	33,279	23,032	23,100	33,304	25	0.1%
252	Water	289	193	117	247	(42)	(14.5%)
6	Biomass	84	63	0	0	(84)	(100.0%)
1,531	ED Cleaning Contract	1,355	1,008	1,028	1,399	44	3.2%
4,090	ED Catering Contract	4,121	3,091	3,058	4,035	(86)	(2.1%)
87	FM Catering - Cleaning Materials	46	35	67	87	41	89.1%
1,096	FM Catering - Provisions	1,160	804	839	1,193	33	2.8%
477	Internal Transport - Drivers	477	358	338	519	42	8.8%
96	Gaelic Transport	13	7	37	76	63	484.6%
646	ASN Transport	455	265	406	658	203	44.6%
25	Pupil Vocational Transport	13	10	54	63	50	384.6%
0	Telephones (Secondary)	29	22	0	0	(29)	(100.0%)
0	Legal Costs	0	0	22	30	30	-
34	Cashless Catering Maintenance	29	22	0	0	(29)	(100.0%)
73	ASN HQ Support	54	41	33	81	27	50.0%
541	ASN Placements	371	247	241	477	106	28.6%
(613)	School Meal Income	(608)	(393)	(388)	(569)	39	(6.4%)
(18)	Breakfast Club Income	(50)	(32)	(13)	(18)	32	(64.0%)
(57)	Renewable Heat Incentive Income	(55)	(41)	(6)	(10)	45	(81.8%)
(481)	Income from Other Local Authorities	(434)	(289)	(230)	(494)	(60)	13.8%
(7,672)	FM Income	(7,597)	(5,698)	(5,428)	(7,576)	21	(0.3%)
Total Material Variances						121	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: EDUCATION

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2023/24</u>	<u>Phased Budget To Period 9 2023/24</u>	<u>Actual To Period 9 2023/24</u>	<u>Projected Spend 2023/24</u>	<u>Amount to be Earmarked for 2024/25 & Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Beacon Arts	Tony McEwan	60	0	0	0	60	Contingency Balance currently unallocated.
Early Years 1140	Michael Roach	635	392	413	572	63	Funded staff up to Aug 23, balance has been allocated as follows, Resources £120k, CFCE £20k, Pay Award £8k, Barnardos £7k, Training £15k. £63k is currently unallocated and it was agreed at February 1st full Council meeting to write this back.
Covid Recovery - Extra Duke of Edinburgh Opportunities - 2 years	Ruth Binks	62	62	41	51	11	£10k of equipment on order awaiting delivery. £11k balance not required - to be written back.
New Scots Funding	Michael Roach	287	79	89	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	533	543	779	265	