
Report To:	Education & Lifelong Learning Committee	Date:	17 March 2009
Report By:	Chief Financial Officer & Corporate Director, Education and Social Care	Report No:	FIN/18/09/AP/CB
Contact Officer:	Lesley Bairden	Contact No:	01475 712257
Subject:	2008/09 Revenue Budget – Period 9 - 31 December 2008		

1.0 PURPOSE

- 1.1 To advise Committee of the 2008/09 Revenue Budget position at Period 9 to 31 December 2008.

2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee on 20 January 2009 was informed that the projected out-turn for the 2008/09 budget as at Period 7 was on budget. The latest projection as at Period 9 is also on budget.
- 2.2 The total Education & Lifelong Learning budget for 2008/09 is £73,210,040 with a further £150,000 brought forward as Earmarked Reserves. This is an increase of £847,090 since the last Committee. Income of £798,000 for the Teachers Induction Scheme grant has been removed from the Education budget as the Scottish Government has confirmed the method of payment as Revenue Support Grant rather than a Direct Grant. A further £49,090 has been added to the Employee Costs budget to fund the additional 0.5% for the non-teacher employees annual pay award. The School Estates Management Plan accounts for £3,057,130 of the total Education budget with a further £1,863,000 brought forward as Earmarked Reserves.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projection of on budget for 2008/09 as at 31 December 2008.
- 3.2 The Committee approve the virements as detailed in paragraph 7.1 and Appendix 3.
- 3.3 That the Committee notes the current position of the Earmarked Reserves in Appendix 4

Alan Puckrin
Chief Financial Officer

Ian Fraser
Corporate Director Education & Social Care

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2008/09 budget and to highlight the main issues arising.

5.0 2008/09 PROJECTION

- 5.1 The main issues to highlight in relation to the 2008/09 projected out-turn are:

Employee Costs:

The 2008/09 budget for Employee Costs is £54,405,240, including £593,000 required for Single Status implementation. An additional £49,090 has been added to the Employee Costs budget to fund the additional 0.5% required for the non-teacher employees annual pay award (original budget assumed 2.5% increase, actual settlement was 3.0%)

Latest projection for Employee Costs is an overspend of £5,000, an increase of £22,000 from the underspend reported to the last Committee.

This overspend will be contained within the overall Education budget.

Refuse Collection:

Latest projection for Refuse Collection is an overspend of £74,000. This is a decrease of £11,000 from the figure reported to the last Committee and is a result of the budget being increased by virement approved by the January Education Committee. The projected out-turn remains £136,000.

Heating Oil:

An underspend of £65,000 was reported to the last Committee. Since then, there has been a further decrease in the price of heating oil and as a result there is now a projected underspend of £101,000.

Electricity And Gas

Although both Electricity and Gas are currently projected as on budget, this does not include the additional costs that will be incurred as a result of price increases from October 2008. Electricity prices increased by 46% and Gas prices by 58% which will result in additional costs of £290,640 for the period to 31 March 2009. These costs are being funded from a centrally held budget and not by Education.

Non Domestic Rates

The current budget for Non Domestic Rates is £1,674,720. Latest projected out-turn is an underspend of £13,000. This is the result of credits received for payments in previous years following successful valuation appeals.

Catering Contract

An underspend of £20,000 was reported to the last Education Committee. Latest projection for the Catering Contract remains the same.

SPT Contract

The current budget for the SPT School Bus contract is £903,010. Following an update of projected costs from SPT the latest projection is an overspend of £12,510. This overspend will be contained within the overall Education budget.

ASN Transport

An overspend of £14,000 for ASN Transport has been included in the total figures previously reported to Committee. The latest projection remains the same.

ASN Placements:

Following virement approved at the January Education Committee, an overspend of £15,000 was reported. Latest projection remains the same.

6.0 PROPOSALS

- 6.1 The Committee is currently reporting the out-turn for 2008/09 will be on budget.
- 6.2 The Corporate Director, Education & Social Care, in conjunction with Finance Services, will continue to review the budget and ensure that the projected spend remains within budget.

7.0 VIREMENTS

- 7.1 Committee is asked to approve virements of £133,540 as detailed in Appendix 3. The virements from Social Work have already been presented to the Health & Social Care Committee on 4 March 2009.

8.0 IMPLICATIONS

- 8.1 The current projected out-turn per Service is:

2007/08 Actual £000	Service	Approved Budget 2008/09 £000	Revised Budget 2008/09 £000	Projected Out-turn 2008/09 £000	Projected over/(under) spend £000
64,322	Education	68,447	70,158	70,158	0
1,615	SEMP	3,052	3,052	3,052	0
65,937	Total	71,499	73,210	73,210	0

See Appendix 2 for additional detail.

- 8.2 Appendix 4 shows the latest position of the Committee's earmarked reserves. Spend to date is 34% of projected spend. However, £1.65 million (50% of annual spend) will be processed at the year end for loan charges.

9.0 EQUALITIES

- 9.1 There are no Equalities issues.

10.0 CONSULTATIONS

- 10.1 The report is jointly prepared by the Corporate Director, Education and Social Care and the Chief Financial Officer.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 9 : 1st April 2008 - 31st December 2008

<u>Out Turn</u> <u>2007/08</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2008/09</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Dec-08</u> <u>£000</u>	<u>Projection</u> <u>2008/09</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
1,601	Rates	1,675	1,639	1,625	1,662	(13)	-0.8%
128	Refuse Collection	63	0	0	137	74	117.5%
679	Heating Oil	800	533	504	699	(101)	-12.6%
2,497	Catering Contract	2,372	1,779	1,714	2,352	(20)	-0.8%
799	SPT Contract	902	677	525	915	13	1.4%
1,028	Non SPT Transport	973	649	639	987	14	1.4%
147	Larkfield Family Centre	0	0	37	37	37	0.0%
980	ASN Placements	1,027	685	639	1,042	15	1.5%
Total Material Variances						19	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 9 : 1st April 2008 - 31st December 2008**

Subjective Heading	Approved Budget 2008/09 £000	Revised Budget	Projected Out-turn 2008/09 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
Employee Costs - Teachers	39,553	40,245	40,245	0	0.0%
Employee Costs - Non Teachers	12,625	14,160	14,165	5	0.0%
Property Costs	7,631	7,716	7,676	(40)	-0.5%
Supplies & Services	3,809	3,568	3,548	(20)	-0.6%
Transport Costs	1,863	1,880	1,907	27	1.4%
Administration Costs	506	536	536	0	0.0%
Other Expenditure	9,542	9,028	9,056	28	0.3%
Income	(4,030)	(3,923)	(3,923)	0	0.0%
TOTAL NET EXPENDITURE	71,499	73,210	73,210	0	0.0%

Objective Heading	Approved Budget 2008/09 £000	Revised Budget	Projected Out-turn 2008/09 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
Central Admin	1,465	1,454	1,467	13	0.9%
Early Years	5,609	6,103	6,132	29	0.5%
Primary Schools	22,796	23,057	23,056	(1)	0.0%
Secondary Schools	27,830	28,483	28,436	(47)	-0.2%
Special Schools	4,944	5,155	5,181	26	0.5%
SEMP	3,052	3,052	3,052	0	0.0%
Other Education	5,803	5,906	5,886	(20)	-0.3%
TOTAL NET EXPENDITURE	71,499	73,210	73,210	0	0.0%

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget	(Decrease) Budget
	£	£
Teachers Basic - Development Services	12,000	
Looked After and Accomodated Children - Social Work		(12,000)
Teachers Basic - Psychologists	90,000	
Changing Childrens Services Fund - Social Work		(90,000)
Other Expenditure - Community Learning & Development		(31,540)
Supplies & Services - Community Learning & Development	31,540	
	133,540	(133,540)

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2007/08</u>	<u>New Funding 2008/09</u>	<u>Total Funding 2008/09</u>	<u>Actual Spend 2008/09 As at 31/12/08</u>	<u>Projected Spend 2008/09</u>	<u>Amount to be Earmarked for 2009/10</u>	<u>Lead Officer Update</u>
		£000	£000	£000	£000	£000	£000	
New Rainbow Nursery	Albert Henderson	150	0	150	150	150	0	This contribution to the new nursery has now been fully spent. Nursery now operational.
School Estate M P	Tom Reid	1,094	2375	3,469	0	1,683	1,786	Projected spend relates to Loan Charge Payments which will be made at end of Financial Year.
School Estate Team	Tom Reid	769	656	1,425	989	1482	(57)	Based on latest projected spend there is a shortfall of £57k for funding the School Estates Team
Total		2,013	3,031	5,044	1,139	3,315	1,729	