

---

**Report To:** Education & Lifelong Learning Committee      **Date:** 3 November 2009

**Report By:** Chief Financial Officer & Acting Director of Education      **Report No:** FIN/61/10AP/IC

**Contact Officer:** Lesley Bairden      **Contact No:** 01475 712257

**Subject:** Education & Lifelong Learning 2009/10 Revenue Budget – Period 31 August 2009

---

## 1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 Revenue Budget position at Period 5 to 31 August 2009.

## 2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee of 8 September 2009 was informed that the projected out-turn for the 2009/10 revenue budget as at Period 3 was on budget. The latest projection as at Period 5 is an underspend of £24,000 (0.03% of the total Education Budget).
- 2.2 The total Education & Lifelong Learning budget for 2009/10 is £76,749,700, of which £6,220,420 relates to the School Estate Management Plan. A further £1,786,000 brought forward as Earmarked Reserves also relates to the School Estate Management Plan. Since the last Committee the total budget has increased by £579,290. Scottish Government funding for Probationer Teachers and Curriculum for Excellence Grant resulted in an £800,000 increase to the budget. This was offset by a total of £232,710 transferred out of the Education Services budget. Included within this figure is £122,640 required by IT Services to fund five IT Technicians who were previously based in Education.

## 3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected underspend of £24,000 for the 2009/10 revenue budget as at 31 August 2009.
- 3.2 That the Committee approve the virements of £598,640 as detailed in paragraph 7.1 and Appendix 4.

Alan Puckrin  
Chief Financial Officer

Albert Henderson  
Acting Director Education

## **4.0 BACKGROUND**

- 4.1 The purpose of this report is to advise Committee of the current position of the 2009/10 Revenue Budget and to highlight the main issues arising.

## **5.0 2009/10 PROJECTION**

- 5.1 The main issues to highlight in relation to the £24,000 projected underspend for the 2009/10 Revenue Budget projected are:

### Employee Costs:

The 2009/10 budget for Employee Costs is £55,046,550.

The budget for Teachers is currently £40,445,540. This includes £800,000 of Scottish Government funding for Probationer Teachers and Curriculum for Excellence.

The current projection for Teachers is on budget.

The budget for non-teacher employees is £14,601,010 and the current projection is an underspend of £9,800.

### Non Domestic Rates:

An overspend of £27,000 for NDR was reported to the September Education Committee. As a result of budget virements and additional empty relief relating to previous years, the latest projected overspend is £5,000. Further virements will be identified before the end of the Financial Year to contain the remaining overspend.

### Refuse Collection:

An overspend of £106,542 was reported to the September Education Committee for Refuse Collection. The latest projection has reduced this overspend to £44,542 as a result of £12,000 being added to the budget from the Inflation Contingency budget and the £50,000 virement requested in paragraph 7.1 and Appendix 4.

### Heating Oil:

An underspend of £149,000 was reported to the last Committee for Heating Oil. A contingency of £140,000 for high prices was added to the Heating Oil budget in 2009/10. At current prices the majority of this contingency is not required and consequently, in line with the Financial Regulations, £100,000 from the Heating Oil budget has been returned to the Inflation Contingency. Following this budget reduction, the amended projected out-turn for Heating Oil is an underspend of £20,170.

### Water:

A projected overspend of £20,000 was reported to the last Education Committee for Water. The latest projection remains the same.

### ASN Placements:

The current budget for ASN Placements is £1,020,550. The latest projection is an underspend of £54,000. Included within the latest projection is a contingency for approximately three additional placements as it is anticipated that the current number of placements may increase before the end of the financial year.

## GLOW / Scottish Schools Digital Network (SSDN):

Committee are asked to approve two virements relating to the GLOW / SSDN budget. Historically a portion of this budget has been under Supplies & Services with the balance under Other Expenditure. In order to consolidate these two budgets, Committee is asked to approve a virement of £381,800.

As a result of an external contract for Whiteboard maintenance being transferred internally to Inverclyde Council IT Services, a virement of £14,200 is requested to transfer the maintenance materials budget. Virement approval is requested in paragraph 7.1 and Appendix 4.

### **6.0 PROPOSALS**

6.1 The Committee is currently reporting a projected underspend of £24,000 for the 2009/10 Revenue Budget.

6.2 The Acting Director of Education, 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 £598,640 as detailed in Appendix 4.

### **8.0 IMPLICATIONS**

8.1 The current projected out-turn per Service is:

2008/09 Actual £000	Service	Approved Budget 2009/10 £000	Revised Budget 2008/09 £000	Projected Out-turn 2008/09 £000	Projected over/(under) spend £000
70,727	Education	69,952	70,530	70,506	(24)
1,422	SEMP	6,218	6,220	6,220	0
72,149	Total	76,170	76,750	76,726	(24)

See Appendix 2 for additional detail.

### **9.0 EARMARKED RESERVES**

9.1 The Earmarked Reserves of £1,786,000 relates to the School Estate Management Plan. The majority of the expenditure relating to this reserve is planned for the end of Financial Year 2009/10. Consequently only 13% of the balance has been spent at the end of Period 5.

See Appendix 3 for additional details.

### **10.0 EQUALITIES**

10.1 There are no Equalities issues.

### **11.0 CONSULTATIONS**

11.1 The report is jointly prepared by the Acting Director of Education and the Chief Financial Officer.

**EDUCATION****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5 : 1st April 2009 - 31st August 2009**

<u>Out Turn 2008/09 £000</u>	<u>Budget Heading</u>	<u>Budget 2009/10 £000</u>	<u>Proportion of Budget</u>	<u>Actual to 31-Aug-09 £000</u>	<u>Projection 2009/10 £000</u>	<u>(Under)/Over Budget £000</u>	<u>Percentage Over / (Under)</u>
14,848	Non Teacher Employees	14,601	6,284	6,271	14,591	(10)	(0.1%)
417	Water	374	23	24	394	20	5.3%
136	Refuse Collection	105	0	0	150	45	42.9%
1,020	ASN Placements	1,021	340	297	967	(54)	(5.3%)
762	Heating Oil	511	91	87	491	(20)	(3.9%)
<b>Total Material Variances</b>						<b>(19)</b>	

EDUCATIONREVENUE BUDGET MONITORING REPORTCURRENT POSITIONPERIOD 5 : 1st April 2009 - 31st August 2009

2008/09 Actual £000	Subjective Heading	Approved Budget 2009/10 £000	Revised Budget	Projected Out-turn 2009/10 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
40,424	Employee Costs - Teachers	39,593	40,446	40,446	0	0.0%
14,703	Employee Costs - Non Teachers	14,350	14,601	14,591	(10)	(0.1%)
8,235	Property Costs	7,717	7,546	7,590	44	0.6%
3,843	Supplies & Services	3,623	3,646	3,646	0	0.0%
2,190	Transport Costs	2,017	2,064	2,069	5	0.2%
557	Administration Costs	529	548	548	0	0.0%
6,286	Other Expenditure	11,560	11,724	11,661	(63)	(0.5%)
(4,089)	Income	(3,219)	(3,825)	(3,825)	0	0.0%
72,149	TOTAL NET EXPENDITURE	76,170	76,750	76,726	(24)	0.0%

2008/09 Actual £000	Objective Heading	Approved Budget 2009/10 £000	Revised Budget	Projected Out-turn 2009/10 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,866	Central Admin	1,616	1,579	1,570	(9)	(0.6%)
6,040	Early Years	5,867	5,972	5,980	8	0.1%
23,381	Primary Schools	22,721	23,426	23,438	12	0.1%
29,417	Secondary Schools	27,759	28,782	28,794	12	0.0%
5,087	Special Schools	5,241	5,173	5,125	(48)	(0.9%)
1,422	SEMP	6,218	6,220	6,220	0	0.0%
4,936	Other Education	6,748	5,598	5,599	1	0.0%
72,149	TOTAL NET EXPENDITURE	76,170	76,750	76,726	(24)	0.0%

**EARMARKED RESERVES POSITION STATEMENT**

**COMMITTEE: Education & Lifelong Learning**

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>C/f Funding 2008/09</u> £000	<u>New Funding 2009/10</u> £000	<u>Total Funding 2009/10</u> £000	<u>Actual To Period 05 2009/10</u> £000	<u>Projected Spend 2009/10</u> £000	<u>Amount to be Earmarked for 2010/11 &amp; Beyond</u> £000	<u>Lead Officer Update</u>
School Estate M P	Tom Reid	1,786	5,394	7,180	237	3,413	3,767	Total Funding for 2009/10 has been updated to reflect changes as result of the SEMP Funding Model review carried out in August 2009 and reported to the September Education Committee. Expenditure to date primarily relates to decants at Notre Dame and St Columba's. £2.572k of the projected spend relates to Loan Charges and will be incurred at end of Financial Year.
Interim Corporate Director	Albert Henderson	0	50	50	0	50	0	Part Funding for Interim Corporate Director of Education & Social Care. Appointment not yet made.
<b>Total</b>		1,786	5,444	7,230	237	3,463	3,767	

**EDUCATION COMMITTEE****VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Policy & Resources ( IT Services)	1	14,200	
Other Expenditure (SSDN / GLOW)			14,200
Supplies & Services ( SSDN / GLOW)	2	381,800	
Other Expenditure (SSDN / GLOW)			381,800
Employee Costs (Policy & Resources Committee)	3	122,640	
Employee Costs (Other Education)			122,640
ASN Transport (Special Schools)	4	30,000	
Record of Needs (Special Schools)			30,000
Refuse Collection (Secondary Schools)	5	50,000	
Other Expenditure (Other Schools General)			50,000
		<b>598,640</b>	<b>598,640</b>

## Note

- 1 - IT Services budget increased as Whiteboard Projector support now being provided in-house rather than by an external supplier.
- 2 - Consolidation of SSDN / GLOW budget from two ledger codes to one.
- 3- £122,640 is budget for 5 IT Technicians who have transferred from Education to IT Services.
- 4- Re-allocation of Special Schools budget from Other Expenditure to Transport costs.
- 5- Allocation of £50,000 from Education HQ to Secondary Schools to reduce overspend on Refuse Collection.