

Report To: Education & Lifelong Learning Committee **Date:** 19 January 2010

Report By: Chief Financial Officer & Acting Director of Education **Report No:** FIN/77/09AP/IC

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Subject: Education & Lifelong Learning 2009/10 Revenue Budget – Period 7 to 31 October 2009

1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 Revenue Budget position at Period 7 to 31 October 2009.

2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee of 3 November 2009 was informed that the projected out-turn for the 2009/10 revenue budget as at Period 5 was an underspend of £24,000. The latest projection as at Period 7 is an underspend of £107,000 (0.14% of the total Education Budget.)
- 2.2 The total Education & Lifelong Learning budget for 2009/10 is £76,813,160, 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. The total budget has increased by £63,460 since last Committee. The majority of this is due to an increased Internal Transport budget following the Vehicle, Plant & Equipment Review approved by the Policy & Resources Committee on 16 June 2009.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected underspend of £107,000 for the 2009/10 revenue budget as at 31 October 2009.
- 3.2 That the Committee approve the virements of £114,240 as detailed in paragraph 7.1 and Appendix 4.

Alan Puckrin
Chief Financial Officer

Albert Henderson
Acting Director of 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 £107,000 projected underspend for the 2009/10 Revenue Budget are:

Employee Costs:

The budget for teachers is currently £40,429,300 with the latest projection being an underspend of £86,190. The expenditure on Daily Rate Teachers was previously assumed to be at the same level as the previous financial year. However, since the start of the new Academic year in August, the expenditure level is approximately 3% lower than in 2008/09 resulting in a projected underspend of £32,190.

A further £56,000 underspend is projected for Permanent Teachers. A number of teachers who left employment in August 2009 were replaced by teachers at a lower point on the pay scale.

The budget for non-teacher employees is £14,752,000 and the current projection is an underspend of £30,000. This saving relates to the period of time where no Corporate Director was in post.

Refuse Collection:

An overspend of £44,542 was reported to the November Education Committee for Refuse Collection. As a result of virements of £7,962 from elsewhere within the Property Costs subjective heading, the overspend has been reduced to £36,580. The virement requested in paragraph 7.1 and Appendix 4 will bring this budget back in to line.

Heating Oil:

An underspend of £20,170 was reported to the last Committee for Heating Oil. Since then oil prices have increased by 7% and as a result an overspend of £5,400 is now being projected. This overspend will be contained within the overall Education budget.

Janitors:

A £37,000 increase in janitor expenditure as a result of additional overtime for Community lets within schools will be reported to the Regeneration Committee.

Under the current charging arrangements these costs are passed on in full to Education Services and as a result there is now a projected overspend of £37,000 for Janitors. This will be contained within the overall Education budget. These additional costs are partially offset by additional school let income being reported to the Regeneration Committee.

A new internal charging procedure will be in place for the start of the next Financial Year and this will ensure that costs and income associated with school lets will be reported to the same Committee in future.

Water:

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

Internal Transport:

A Vehicle, Plant & Equipment Review was approved by the Policy & Resources Committee on 16 June 2009. The resulting re-alignment of Corporate Internal Transport budgets has increased the Education Services budget to £403,390. The latest projection is on budget.

ASN Placements:

An underspend of £54,000 was reported to the last Committee for ASN Placements. The latest projection remains the same although the contingency for approximately three places reported to the November Committee has now been reduced to one place as a result of further uptake of placements.

6.0 PROPOSALS

6.1 The Committee is currently reporting a projected underspend of £107,000 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 the virement of £114,240 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	70,593	70,486	(107)
1,422	SEMP	6,218	6,220	6,220	0
72,149	Total	76,170	76,813	76,706	(107)

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 9% of the balance has been spent at the end of Period 7.

Committee should note that the Earmarked Reserve originally set aside for funding the interim Corporate Director is no longer required and will be transferred to the Policy & Resources Committee to fund costs associated with the recent re-structure.

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 7 : 1st April 2009 - 31st October 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-Oct-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	14,752	8,557	8,572	14,722	(30)	(0.2%)
40,424	Teachers	40,429	23,427	23,351	40,343	(86)	(0.2%)
417	Water	374	218	231	394	20	5.3%
1,685	Contract Janitors	1,673	906	923	1,710	37	2.2%
1,020	ASN Placements	1,021	595	441	967	(54)	(5.3%)
Total Material Variances						(113)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 7 : 1st April 2009 - 31st October 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	40,429	40,343	(86)	(0.2%)
14,703	Employee Costs - Non Teachers	14,350	14,752	14,722	(30)	(0.2%)
8,235	Property Costs	7,717	7,587	7,652	65	0.9%
3,843	Supplies & Services	3,623	3,965	3,965	0	0.0%
2,190	Transport Costs	2,017	2,165	2,170	5	0.2%
557	Administration Costs	529	594	594	0	0.0%
6,286	Other Expenditure	11,560	11,304	11,243	(61)	(0.5%)
(4,089)	Income	(3,219)	(3,983)	(3,983)	0	0.0%
72,149	TOTAL NET EXPENDITURE	76,170	76,813	76,706	(107)	(0.1%)

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	1,667	1,637	(30)	(1.8%)
6,040	Early Years	5,867	5,910	5,905	(5)	(0.1%)
23,381	Primary Schools	22,721	23,457	23,360	(97)	(0.4%)
29,417	Secondary Schools	27,759	29,363	29,441	78	0.3%
5,087	Special Schools	5,241	5,275	5,221	(54)	(1.0%)
1,422	SEMP	6,218	6,220	6,220	0	0.0%
4,936	Other Education	6,748	4,921	4,922	1	0.0%
72,149	TOTAL NET EXPENDITURE	76,170	76,813	76,706	(107)	(0.1%)

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 07 2009/10</u> £000	<u>Projected Spend 2009/10</u> £000	<u>Amount to be Earmarked for 2010/11 & Beyond</u> £000	<u>Lead Officer Update</u>
School Estate M P	Tom Reid	1,786	5,394	7,180	299	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	0	50	Part Funding for Interim Corporate Director of Education & Social Care. Funding is no longer required as Consultant has been appointed for 21 days only and will be funded from the core Education budget. This Earmarked Reserve will be transferred to the Policy & Resources Committee budget to fund advertising and interviewer costs relating to the Management Restructure.
Total		1,786	5,444	7,230	299	3,413	3,817	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Refuse Collection (Primary Schools)	1	36,580	
Former NPAF Expenditure (Other Schools General)			36,580
Internal Transport (Primary & Special Schools)	2	67,660	
Corporate Transport			67,660
Teachers Basic (Secondary Schools)	3	10,000	
Education Attainment Fund (Social Work)			10,000
		114,240	114,240

Note

1 - Virement required to bring Refuse Collection budget back on budget.

2- Re-Allocation of Corporate Transport budget following Vehicle, Plant & Equipment review approved by Policy & Resources Committee on 16 June 2009.

3- Funding relating to raising the Educational Attainment of Looked After And Accomodated Children (LAAC) Health & Social Care Committee approved this virement on 18 December 2009.