

Report To: Education & Lifelong Learning Committee **Date:** 16 March 2010

Report By: Chief Financial Officer & Acting Director of Education **Report No:** FIN/19/10/AP/IC

Contact Officer: Iain Cameron **Contact No:** 01475 712173

Subject: Education & Lifelong Learning 2009/10 Revenue Budget – Period 9 to 31 December 2009

1.0 PURPOSE

- 1.1 To advise Committee of the 2009/10 Revenue Budget position at Period 9 to 31 December 2009.

2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee of 19 January 2010 was informed that the projected out-turn for the 2009/10 revenue budget as at Period 7 was an underspend of £107,000. The latest projection as at Period 9 is an underspend of £167,000 (0.2% of the total Education Budget.)
- 2.2 The total Education & Lifelong Learning budget for 2009/10 is £76,686,460, of which £6,218,000 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 decreased by £126,700 since last Committee. The majority of this is due to a reduction in the insurance budget as a result of the re-allocation of Corporate budgets between Services.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected underspend of £167,000 for the 2009/10 revenue budget as at 31 December 2009.
- 3.2 That the Committee approve the virements of £71,000 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 £167,000 projected underspend for the 2009/10 Revenue Budget are:

Employee Costs:

The budget for teachers is currently £40,452,530 with the latest projection being an underspend of £135,902. This is an increase of £50,000 on the underspend reported to the January Committee.

A £50,000 budget for Looked After and Accommodated Children has been transferred from Social Work to Education Services. This budget will not be spent before the end of the Financial Year and as a result the projected underspend for Permanent Teachers has increased to £104,000.

The projected underspend for Daily Rate Teachers remains £32,000. As expected there has been an increase in DRT costs since the start of the winter months, but it is still approximately 1% lower than in the previous year.

The budget for non-teacher employees is currently £14,844,280. As previously reported to Committee, an underspend of £30,000 is being projected.

Heating Oil:

An overspend of £5,400 for Heating Oil was reported to the January Committee. As a result of further price increases, the projected overspend has increased to £10,400. This overspend will be contained within the overall Education budget.

Janitors:

A projected overspend of £37,000 as a result of increased janitor overtime, primarily for Community Lets was reported to the last Education Committee. Following a revised janitor overtime projection reported to the Regeneration Committee, the projected overspend has decreased to £23,000.

Water:

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

Catering Contract:

The current budget for the Catering Contract is £2,354,300. As a result of changes to the Working Tax Credit (WTC) increasing the number of children receiving Free School Meals, the latest projected out-turn is £2,375,300, an increase of £21,000. A budget for the additional costs associated with the WTC changes was set aside at the start of this Financial Year. Committee are now asked to approve a virement of £21,000 from this budget to the Catering Contract as detailed in paragraph 7.1 and Appendix 4.

As a result of the virement the Catering Contract remains on budget.

ASN Placements:

The latest projection for ASN Placements remains the same as previously reported to Committee, an underspend of £54,000. The previously reported contingency of £31,000 has now been fully utilised following the placement of three additional children.

6.0 PROPOSALS

- 6.1 The Committee is currently reporting a projected underspend of £167,000 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 £71,000 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	70,468	70,301	(167)
1,422	SEMP	6,218	6,218	6,218	0
72,149	Total	76,170	76,686	76,519	(167)

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 relates to Loan Charges and is planned for the end of Financial Year 2009/10. Consequently only 14% of the balance has been spent at the end of Period 9 to 31 December 2009.

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.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 9 : 1st April 2009 - 31st December 2009

<u>Out Turn</u> <u>2008/09</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2009/10</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Dec-09</u> <u>£000</u>	<u>Projection</u> <u>2009/10</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
14,848	Non Teacher Employees	14,844	10,852	10,833	14,814	(30)	(0.2%)
40,424	Teachers	40,453	30,215	30,113	40,317	(136)	(0.3%)
417	Water	374	249	277	394	20	5.3%
762	Heating Oil	511	341	213	521	10	2.0%
1,685	Contract Janitors	1,674	1,186	1,225	1,697	23	1.4%
1,020	ASN Placements	1,021	766	604	967	(54)	(5.3%)
Total Material Variances						(167)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 9 : 1st April 2009 - 31st December 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	40,453	40,317	(136)	(0.3%)
14,703	Employee Costs - Non Teachers	14,350	14,844	14,814	(30)	(0.2%)
8,235	Property Costs	7,717	7,644	7,704	60	0.8%
3,843	Supplies & Services	3,623	3,989	3,989	0	0.0%
2,190	Transport Costs	2,017	2,216	2,223	7	0.3%
557	Administration Costs	529	562	562	0	0.0%
6,286	Other Expenditure	11,560	11,103	11,035	(68)	(0.6%)
(4,089)	Income	(3,219)	(4,125)	(4,125)	0	0.0%
72,149	TOTAL NET EXPENDITURE	76,170	76,686	76,519	(167)	(0.2%)

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	1,659	1,629	(30)	(1.8%)
6,040	Early Years	5,867	5,875	5,873	(2)	(0.0%)
23,381	Primary Schools	22,721	23,423	23,327	(96)	(0.4%)
29,417	Secondary Schools	27,759	29,331	29,401	70	0.2%
5,087	Special Schools	5,241	5,375	5,321	(54)	(1.0%)
1,422	SEMP	6,218	6,218	6,218	0	0.0%
4,936	Other Education	6,748	4,805	4,750	(55)	(1.1%)
72,149	TOTAL NET EXPENDITURE	76,170	76,686	76,519	(167)	(0.2%)

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 09 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	431	3,186	3,994	A further review of the SEMIP model took place in December 2009 and as a result the projected spend for 2009/10 has been reduced by £227k to £3,186k. The majority of this expenditure (£2,345k) relates to Loan Charges / Unitary Charges and will be incurred at the year end. A further £313k of expenditure for maintenance work will also be transferred from Property Services at year end.
Total		1,786	5,394	7,180	431	3,186	3,994	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Catering Contract (Various Schools)	1	21,000	
Other Expenditure (Other Schools General)			21,000
Social Work - Looked After And Accomodated Children	2		50,000
Teachers Salaries (Other Schools General)		50,000	
		71,000	71,000

Note

- 1 -Budget for increased Free School Meal uptake as a result of changes to Working Tax Credit.
Re-allocation of budget between Subjective Headings required.
- 2- Transfer of £50,000 budget from Social Work to Education for Looked After and Accomodated Children.
This virement has already been approved by the Health & Social Care Committee.