
Report To: Education & Lifelong Learning Committee **Date:** 25 January 2011

Report By: Chief Financial Officer & Corporate Director Education & Communities **Report No:** FIN/86/10/IC/GJ

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Subject: Education & Lifelong Learning 2010/11 Revenue Budget – Period 7 to 31 October 2010

1.0 PURPOSE

- 1.1 To advise Committee of the 2010/11 Revenue Budget position at Period 7 to 31 October 2010.

2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee of 2 November 2010 was informed that the projected out-turn for the 2010/11 revenue budget as at Period 5 was an underspend of £72,000. The latest projection as at Period 7 is an underspend of £149,000 (0.02% of the total Education Budget.) This is after the absorption of £353,410 of mid year savings and £87,000 for the 2010/11 Non-Teacher pay award.
- 2.2 The total Education & Lifelong Learning budget for 2010/11 is £72,598,600, of which £3,933,990 relates to the School Estate Management Plan. A further £4,063,000 brought forward as Earmarked Reserves relates to the School Estate Management Plan (£3,994,000) and Outdoor Education Trips (£69,000.)
- 2.3 Since the last Committee the total budget has increased by £70,620. This is due to an increase in the budget allocated to Probationer Teachers to fund their Preference Waivers and the transfer of £50,000 from Inflation Contingency to the Heating Oil budget.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected underspend of £149,000 for the 2010/11 revenue budget as at Period 7 to 31 October 2010.

Alan Puckrin
Chief Financial Officer

Albert Henderson
Corporate Director Education & Communities

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2010/11 Revenue Budget and to highlight the main issues arising.
- 4.2 As previously reported to the November Committee, the Policy & Resources Committee of 17 August 2010 approved a revision to the 2010/11 Revenue Budget and as a result the Education & Lifelong Learning budget was reduced by £353,410. This budget reduction has been fully reflected in the Period 7 Revenue Budget projections.
- 4.3 The impact of the pay increase of 0.65% awarded to Non teacher employees from 1 April 2010 was £87,000 as previously reported to Committee.

5.0 2010/11 PROJECTION

- 5.1 The main issues to highlight in relation to the £149,000 projected underspend for the 2010/11 Revenue Budget are:

(a) Employee Costs:

The latest projection for Employee Costs is an overspend of £64,000. This is an increase of £11,000 from the amount reported to the November Education Committee and relates to ASN expenditure in Special Schools.

There is a projected overspend of £98,000 for Non-Teacher employees. The majority of this is due to the annual pay increase of 0.65% awarded from 1 April 2010

The current projection for Teachers remains the same as reported to last Committee, an underspend of £34,000 due to a vacancy in Psychological Services not being filled.

(b) Non Domestic Rates:

The latest projection for Non Domestic Rates is an underspend of £13,000 which primarily relates to back dated empty relief for school buildings closed for refurbishment or demolition. This projection is the same as reported to the November Committee.

There are a number of outstanding appeals which may lead to further savings.

(c) Heating Oil:

An overspend of £26,000 was reported to the last Committee for Heating Oil. A price increase of 4% was included in the last projection. Oil prices continue to rise and there has now been a 12% increase in the price per litre this Financial Year. £50,000 has been transferred from the Inflation Contingency budget and as a result the latest projection is now on budget.

(e) Facilities Officers:

An underspend of £92,000 was reported to the last Education Committee. Property Services have now increased the projected underspend to £109,000. This is due to vacancies and a change to working practices.

(f) SPT School Buses:

The current budget for SPT School Buses contract is £1,306,960 including £139,110 for decant buses for Overton Primary School and St Columba's High School. The latest projection is an underspend of £82,000 which is in line with the previous year's out-turn. There has been no change since the November Committee.

(g) ASN Accessibility:

The current budget for ASN Accessibility is £93,850. This budget is used to fund adaptations to school buildings required as part of the Disability Discrimination Act (DDA). As a result of work carried out as part of the School Estate Management Plan, there has been a reduction in the requirement to use this budget. Latest projection is an underspend of £50,000.

(h) Income from Other Local Authorities:

A number of children from other Local Authority areas attend at Inverclyde Special Schools. There is a budget of £294,230 for the income received for these places. Due to a reduction in the number of children attending from other Authorities, there is a projected shortfall in income of £22,000. This is a further shortfall of £6,000 from the amount reported to last Committee. Officers of the Council will continue to review the charging policy to ensure Inverclyde charges are in line with those received from other Authorities for Inverclyde children placed with them.

(i) School Meal Income:

An income shortfall of £30,000 for School Meal Income was reported to the last Education Committee as a result of the reduced uptake rate for School Meals. There is no change to this projection.

6.0 CONCLUSIONS

- 6.1 The Committee is currently reporting a projected underspend of £149,000 for the 2010/11 Revenue Budget.
- 6.2 The Corporate Director Education & Communities, in conjunction with Finance Services, will continue to review the budget and ensure that the projected expenditure remains within budget.

7.0 VIREMENTS

- 7.1 There are no virements for this Committee.

8.0 IMPLICATIONS

8.1 The current projected out-turn per Service is:

2009/10 Actual £000	Service	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected over/(under) spend £000
70,785	Education	68,675	68,665	68,566	(99)
1,669	SEMP	7,414	3,934	3,884	(50)
72,454	Total	76,089	72,599	72,450	(149)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £1,908,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 33.6% of the projected spend for 2010/11. The majority of expenditure will be incurred at the year end as planned.

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 Corporate Director Education & Communities and the Chief Financial Officer.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 7 : 1st April 2010 - 31st October 2010

<u>Out Turn</u> <u>2009/10</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2010/11</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Oct-10</u> <u>£000</u>	<u>Projection</u> <u>2010/11</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
40,340	Employee Costs - Teacher	39,607	22,976	22,991	39,573	(34)	(0.1%)
14,454	Employee Costs - Non Teacher	13,866	7,958	7,999	13,964	98	0.7%
1,945	Facilities Officers	1,454	849	600	1,346	(108)	(7.4%)
1,772	Non Domestic Rates	2,147	2,147	2,131	2,134	(13)	(0.6%)
1,105	SPT Contract	1,316	658	643	1,234	(82)	(6.2%)
87	ASN Accessibility	94	55	2	44	(50)	(53.2%)
31	Childminders	43	25	12	33	(10)	(23.3%)
(245)	Income Other Local Auth	(294)	(172)	(109)	(272)	22	(7.5%)
(930)	School Meal Income	(959)	(457)	(403)	(929)	30	(3.1%)
Total Material Variances						(147)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 7 : 1st April 2010 - 31st October 2010**

2009/10 Actual £000	Subjective Heading	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
40,477	Employee Costs - Teachers	39,531	39,608	39,574	(34)	(0.1%)
14,803	Employee Costs - Non Teachers	13,147	13,866	13,964	98	0.7%
9,039	Property Costs	7,517	10,679	10,557	(122)	(1.1%)
4,069	Supplies & Services *	3,992	3,989	3,989	0	0.0%
2,283	Transport Costs	2,191	2,361	2,279	(82)	(3.5%)
611	Administration Costs *	494	546	546	0	0.0%
5,519	Other Expenditure	12,026	5,725	5,664	(61)	(1.1%)
(4,347)	Income	(2,809)	(4,175)	(4,123)	52	(1.2%)
72,454	TOTAL NET EXPENDITURE	76,089	72,599	72,450	(149)	(0.2%)

2009/10 Actual £000	Objective Heading	Approved Budget 2010/11 £000	Revised Budget 2010/11 £000	Projected Out-turn 2010/11 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
1,679	Central Admin	1,347	860	860	0	0.0%
5,814	Early Years	5,430	5,731	5,745	14	0.2%
23,686	Primary Schools	22,948	23,578	23,527	(51)	(0.2%)
29,887	Secondary Schools	27,891	28,760	28,688	(72)	(0.3%)
5,414	Special Schools	5,568	5,496	5,524	28	0.5%
1,669	SEMP	7,414	3,934	3,884	(50)	(1.3%)
4,305	Other Education	5,491	4,240	4,222	(18)	(0.4%)
72,454	TOTAL NET EXPENDITURE	76,089	72,599	72,450	(149)	(0.2%)

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

Project	Lead Officer/ Responsible Manager	Clf Funding 2009/10 £000	New Funding 2010/11 £000	Total Funding 2010/11 £000	Actual To Period 7 2010/11 £000	Projected Spend 2010/11 £000	Amount to be Earmarked for 2011/12 & Beyond £000	Lead Officer Update
School Estate M P	Andrew Gerrard	3,994	3,934	7,928	2,007	6,020	1,908	Figures have been updated following the June 2010 review of the SEMP Funding Model. New Funding has been reduced by £3.5m for write-back to General Reserve. As in previous years, the majority of the expenditure will be at Year End.
Outdoor Education Trips	Albert Henderson	69	0	69	40	69	0	Council awarded £80k on going per year to Education to fund Outdoor Education residential trips for all Primary 6 children in Inverclyde. As a result of Health & Safety issues at the centre only a few schools were able to participate in 2009/10. All schools completed their trips in the first quarter of 2010/11. The remaining £29k has been allocated across all Primary Schools to fund other aspects of Outdoor Education.
Total		4,063	3,934	7,997	2,047	6,089	1,908	