
Report To: Education & Lifelong Learning Committee **Date:** 15 March 2011

Report By: Chief Financial Officer & Corporate Director of Education & Communities **Report No:** FIN/22/11/IC/AP

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Subject: Education & Lifelong Learning 2010/11 Revenue Budget – Period 10 to 31 January 2011

1.0 PURPOSE

- 1.1 To advise Committee of the 2010/11 Revenue Budget position at Period 10 to 31 January 2011.

2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee of 25 January 2011 was informed that the projected out-turn for the 2010/11 revenue budget as at Period 7 was an underspend of £149,000. The latest projection as at Period 10 is an underspend of £207,000 (0.29% 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 £72,432,710, 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 decreased by £165,890. This is primarily due to a re-alignment of the Council cleaning budget and a reduction in the water budget as a result of a new contract with Scottish Water / Business Stream.

3.0 RECOMMENDATIONS

- 3.1 The Committee note the current projected underspend of £207,000 for the 2010/11 revenue budget as at Period 10 to 31 January 2011.

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 10 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 £207,000 projected underspend for the 2010/11 Revenue Budget are:

(a) Employee Costs:

The latest projection for Employee Costs is an overspend of £59,000. This is in line with the amount reported to the January Education Committee.

The overspend relating to the non teacher 0.65% annual pay increase from 1 April 2010 has been partly offset by an underspend in Teachers Costs 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 £44,000 which relates to back dated empty relief for school buildings closed for refurbishment or demolition. This is an increase of £31,000 since the January Committee.

(c) Water:

The budget for water has been reduced by £14,050 as a result of savings achieved from a new contract with Scottish Water / Business Stream. Latest projection is an overspend of £12,500 due to higher than anticipated consumption in school buildings. The overspend will be contained within the overall Education budget.

(d) Heating Oil:

The January Committee was informed that an inflation contingency of £50,000 had been added to the Heating Oil budget as a result of prices increasing by 12% this Financial Year. Prices have now increased by 27%. In addition consumption has increased by approximately 17% due to the severe weather experienced in December and January. As a result, the projected out turn is an overspend of £76,000. This will be contained within the overall Education budget.

It should be noted that there are currently seven Education buildings with oil fired heating. As a result of work being carried out as part of the School Estate Management Plan, this will be reduced to two buildings (the former Greenock High and Kings Glen) by the start of the new Academic Year in August 2011.

(e) Contract Facilities Officers:

An underspend of £109,000 was reported to the last Education Committee due to vacancies and changes to working practices. The latest projection remains the same.

(f) SPT School Buses:

An underspend of £82,000 was reported to last Committee. Following a review of a number of School Bus contracts by SPT, this underspend has been reduced to £72,000.

(g) Early Years Day Carers:

An underspend of £10,000 has previously been included in the overall projection reported to previous Education Committees, although not specifically identified as a point of interest. As a result of a drop in the number of clients using this service the underspend has now increased to £23,000.

(h) Early Years Partner Providers:

A budget of £385,000 is used to commission places in privately run nurseries. Following the closure of Ladybird Nursery, children have moved from the privately run sector to Council nurseries and as a result there is a projected underspend of £17,000.

(i) Outdoor Education Trips:

A budget of £80,000 is used to fund residential trips for every Primary 6 pupil in Inverclyde. For the pupils who started Primary 6 in August 2010 this can be completed for £55,000 due to lower price per pupil being negotiated. It should be noted that this contract is now due for tender.

(j) ASN Accessibility:

An underspend of £50,000 was reported to the January Committee. This budget is part of the School Estate Management Plan and the latest projection remains the same.

(k) Early Years Workforce Development:

Currently there are twelve employees enrolled in Early Years and Childcare courses for Financial Year 2010/11. Latest projection is an underspend of £19,000. This budget will contribute to the £200,000 QIO budget reduction saving that has been reflected in the 2011/12 Education Services budget.

(l) Provisions for Breakfast Clubs:

Sixteen Primary schools currently operate some form of Breakfast Club and a budget of £30,000 is allocated to provide food provisions for them. As a result of the pupil uptake not being as great as expected there is a projected underspend of £18,000.

A review group has been set up to help improve the uptake and delivery of the Breakfast Clubs.

(m) Staff Development Training:

Latest projection for Education HQ Staff Development Training is an underspend of £30,000. This budget will contribute to the £200,000 QIO budget reduction saving that has been reflected in the 2011/12 Education Services budget.

(n) Income from Other Local Authorities:

A projected shortfall in income of £22,000 received for places in Special Schools was reported to last Committee. The latest projection remains the same.

(o) School Meal Income:

An income shortfall of £30,000 for School Meal Income was reported to the January Education Committee as a result of the reduced uptake rate for School Meals. The latest projection is a shortfall of £36,000.

(p) Early Years Childcare Income:

The current budget for Childcare Income within Early Years Services is £143,470. As parents pay in advance for childcare all invoices for the period up to end of the Financial Year have now been issued. Latest projection is a shortfall of £31,000 due to fewer children using the service.

6.0 CONCLUSIONS

6.1 The Committee is currently reporting a projected underspend of £207,000 for the 2010/11 Revenue Budget.

6.2 The Corporate Director of 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	68,499	68,342	(157)
1,669	SEMP	7,414	3,934	3,884	(50)
72,454	Total	76,089	72,433	72,226	(207)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £1,908,000 for the School Estate Management Plan at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 47.2% 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 of Education & Communities and the Chief Financial Officer.

EDUCATION

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

PERIOD 10 : 1st April 2010 - 31st January 2011

<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-Jan-11</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	39,608	32,969	32,848	39,587	(21)	(0.1%)
14,454	Employee Costs - Non Teacher	13,922	11,200	11,245	14,002	80	0.6%
1,945	Facilities Officers	1,455	728	614	1,346	(109)	(7.5%)
1,772	Non Domestic Rates	2,147	2,147	2,129	2,103	(44)	(2.0%)
588	Water	363	363	376	376	13	3.6%
457	Heating Oil	514	386	374	590	76	14.8%
11	Outdoor Education	80	80	50	55	(25)	(31.3%)
1,105	SPT Contract	1,316	1,206	1,196	1,244	(72)	(5.5%)
87	ASN Accessibility	94	78	2	44	(50)	(53.2%)
0	Breakfast Club Provisions	30	25	7	12	(18)	(60.0%)
189	Staff Develop Training	218	182	66	188	(30)	(13.8%)
388	Early Years Partner Providers	385	362	345	368	(17)	(4.4%)
31	Early Years Day Carers	43	36	18	20	(23)	(53.5%)
37	Workforce Development	34	28	6	15	(19)	(55.9%)
(245)	Income Other Local Authorities	(294)	(172)	(109)	(272)	22	(7.5%)
(122)	Early Years Childcare Income	(143)	(143)	(113)	(112)	31	(21.7%)
(930)	School Meal Income	(959)	(715)	(683)	(923)	36	(3.8%)
Total Material Variances						(170)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 10 : 1st April 2010 - 31st January 2011**

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	39,587	(21)	(0.1%)
14,803	Employee Costs - Non Teachers	13,147	13,922	14,002	80	0.6%
9,039	Property Costs	7,517	10,446	10,377	(69)	(0.7%)
4,069	Supplies & Services *	3,992	4,029	4,003	(26)	(0.6%)
2,283	Transport Costs	2,191	2,500	2,450	(50)	(2.0%)
611	Administration Costs *	494	546	546	0	0.0%
5,519	Other Expenditure	12,026	5,507	5,309	(198)	(3.6%)
(4,347)	Income	(2,809)	(4,125)	(4,048)	77	(1.9%)
72,454	TOTAL NET EXPENDITURE	76,089	72,433	72,226	(207)	(0.3%)

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	859	859	0	0.0%
5,814	Early Years	5,430	5,788	5,779	(9)	(0.2%)
23,686	Primary Schools	22,948	23,536	23,451	(85)	(0.4%)
29,887	Secondary Schools	27,891	28,644	28,678	34	0.1%
5,414	Special Schools	5,568	5,562	5,581	19	0.3%
1,669	SEMP	7,414	3,934	3,884	(50)	(1.3%)
4,305	Other Education	5,491	4,110	3,994	(116)	(2.8%)
72,454	TOTAL NET EXPENDITURE	76,089	72,433	72,226	(207)	(0.3%)

* includes Schools Delegated Budgets which are required to out-turn on budget.

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>C/f Funding 2009/10</u> £000	<u>New Funding 2010/11</u> £000	<u>Total Funding 2010/11</u> £000	<u>Actual To Period 10 2010/11</u> £000	<u>Projected Spend 2010/11</u> £000	<u>Amount to be Earmarked for 2011/12 & Beyond</u> £000	<u>Lead Officer Update</u>
School Estate M P	Andrew Gerrard	3,994	3,934	7,928	2,803	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	69	69	0	Spending now complete.
Total		4,063	3,934	7,997	2,872	6,089	1,908	