
Report To: Education & Lifelong Learning Committee **Date:** 6 September 2011

Report By: Chief Financial Officer & Corporate Director of Education & Communities **Report No:** FIN/77/11/AP/IC

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Subject: Education & Lifelong Learning 2011/12 Revenue Budget- Period 3 to 30 June 2011

1.0 PURPOSE

- 1.1 To advise Committee of the 2010/11 final out-turn and the 2011/12 Revenue Budget position at Period 3 to 30 June 2011.

2.0 SUMMARY

- 2.1 In 2010/11, excluding the planned carry forward of Reserves of £2,287,000, primarily for the School Estates Management Plan, there was an underspend of £557,557 against a budget figure of £74,677,960. This equates to 0.75% of the total budget and was £274,557 less expenditure than reported to Committee in May 2011.
- 2.2 The total Education & Lifelong Learning budget for 2011/12 is £77,785,990. The School Estates Management Plan accounts for £11,913,490 of the total Education Services budget. A further £1,964,000 brought forward as Earmarked Reserves will also be used to fund the School Estates Management Plan. The latest projection is an underspend of £50,000.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the final out-turn for 2010/11 and the current projected out-turn of a £50,000 underspend for 2011/12 as at 30 June 2011.
- 3.2 That the Committee approve the virement of £15,000 as detailed in paragraph 8.1 and Appendix 4.

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 2011/12 budget as well as the 2010/11 out-turn and to highlight the main issues contributing to the £557,557 underspend in 2010/11 and the projected underspend of £50,000 for 2011/12.

5.0 2010/11 OUT-TURN

- 5.1 The underspend after adjustments for Reserves was £557,557. The main factors contributing to this underspend in 2010/11 were:

Employee Costs:

Total overspend for Employee Costs was £78,000.

The overspend was almost entirely due to the 0.65% pay increase for non-teacher staff from 1 April 2010. There was no specific budget for this with the costs being contained within the overall Education Services budget. The final out-turn was £8,000 higher than the Period 11 projected out-turn reported to Committee.

Property Costs:

Total underspend for Property Costs was £167,000.

Facilities Officers (formerly janitors) costs underspent by £211,000. This was £52,000 more than reported to the last Committee and was due to changes to their terms and conditions.

Non Domestic Rates (NDR) underspent by £42,000. This was due to back-dated empty property relief for school buildings. The NDR out-turn was in line with the one reported to last Committee.

A £50,000 overspend for utilities was £14,000 less than reported to Committee for Period 11. High oil prices resulted in an overspend for heating oil. This was partially offset by an underspend for gas. A credit note relating to previous years was received for a gas metering error by Scottish Hydro.

Property Insurance overspent by £35,000 due to the Corporate allocation being more than the budget. This should be viewed in conjunction with the £42,000 underspend for Insurance reported under Administration Costs.

Supplies and Services:

Total underspend for Supplies and Services £67,000.

Residential Outdoor Education trips for Primary 6 children underspent by £33,000. This is £8,000 more than reported to last Committee.

Education HQ Furniture and Fittings budget underspent by £16,000.

Transport Costs:

Underspend of £72,000 for Transport related to the SPT School Bus Contract and was the same as reported to Committee for Period 11.

Administration Costs:

Total underspend for Administration Costs was £59,000.

The main area of underspend was £42,000 for Insurance which should be viewed in conjunction with the £35,000 overspend for Property Insurance reported under Property Costs.

Other Expenditure:

Total underspend for Other Expenditure was £266,000 compared to the underspend of £210,000 reported to the May Committee. The reduction in expenditure of £56,000 since last Committee was due to the following reasons -

ASN Accessibility underspend was £14,000 more than the Period 11 projection.

ASN Inclusion underspend was £29,000. Period 11 projection assumed that this would be on budget.

Underspend of £14,000 for Contribution to Central Energy Efficiency Fund (CEEF). The Period 11 projection assumed that this year end charge would be on budget.

6.0 2011/12 PROJECTION

6.1 The main issues to highlight in relation to the 2011/12 projected underspend of £50,000 are:

Employee Costs:

The 2011/12 budget for Employee Costs is £50,865,210.

The budget for Teachers is currently £37,259,460. This does not include the budget for the August 2011 intake of Probationer Teachers. The exact amount of this funding has still to be confirmed by the Scottish Government and will be added to the budget in due course. The savings resulting from the changes to Daily Rate Teachers pay and conditions from August 2011 have been fully reflected in the budget.

The budget for non-teacher employees is £13,605,750. The latest projection for Employee Costs is an overspend of £7,000. An underspend for Teachers as a result of a vacancy for a Quality Improvement Officer is offset by an overspend for Non teacher employees. The overspend is mainly due to increased staffing at Special Schools and higher than normal sickness cover in Early Years Nurseries.

Heating Oil:

Oil consumption for 2011/12 is projected to be 53% of the consumption for 2010/11.

As a result of building closures as part of the School Estate Management Plan, only two school buildings will have oil fired heating by the end of 2011/12. The latest projection for heating oil is an underspend of £32,000. This is due to lower than expected consumption in the first quarter of 2011/12.

Breakfast Clubs Supplies:

A budget of £30,000 has been set aside to provide Supplies for Breakfast Clubs. In 2010/11 the actual expenditure was £11,000. It is anticipated that an increase in uptake compared to 2010/11 can be achieved as a result of the work being undertaken by the Review Group. The latest projection is an underspend of £10,000.

7.0 CONCLUSIONS

7.1 The Committee is currently reporting a projected underspend of £50,000 for the 2011/12 revenue budget.

8.0 VIREMENTS

8.1 Committee is asked to approve the virement of £15,000 as detailed in Appendix 4.

9.0 IMPLICATIONS

9.1 The current projected out-turn per Service is:

2010/11 Actual £000	Service	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected over/(under) spend £000
161	Corporate Director	134	134	139	5
61,958	Education Services	57,779	57,512	57,440	(72)
4,396	Planning And Culture	6,512	6,512	6,521	9
1,499	Safer Inclusive	1,718	1,715	1,723	8
3,830	SEMP	11,913	11,913	11,913	0
71,844	Total Education	78,056	77,786	77,736	(50)

See Appendix 2 for additional detail.

10.0 EARMARKED RESERVES

10.1 There is a planned contribution to Earmarked Reserves of £2,165,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 14.5% of the projected spend for 2011/12. The majority of expenditure will be incurred at the year end.

11.0 EQUALITIES

11.1 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.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 3 : 1st April 2011 - 30th June 2011

<u>Out Turn</u> <u>2010/11</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2011/12</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>30-Jun-11</u> <u>£000</u>	<u>Projection</u> <u>2011/12</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
39,755	Employee Costs - Teacher	37,261	9,417	9,417	37,208	(53)	(0.1%)
14,028	Employee Costs - Non Teacher	13,604	3,610	3,762	13,664	60	0.4%
600	Heating Oil	395	102	103	363	(32)	(8.1%)
11	Breakfast Club Provisions	30	7	2	20	(10)	(33.3%)
Total Material Variances						(35)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 3 : 1st April 2011 - 30th June 2011**

2010/11 Actual £000	Subjective Heading	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
39,755	Employee Costs - Teachers	37,542	37,261	37,208	(53)	(0.1%)
14,028	Employee Costs - Non Teachers	13,499	13,604	13,664	60	0.4%
10,740	Property Costs	12,806	12,793	12,751	(42)	(0.3%)
4,101	Supplies & Services	3,793	3,782	3,782	0	-
2,427	Transport Costs	2,271	2,298	2,298	0	-
497	Administration Costs	481	477	478	1	0.2%
4,280	Other Expenditure	10,570	10,643	10,633	(10)	(0.1%)
(3,984)	Income	(2,905)	(3,072)	(3,078)	(6)	0.2%
71,844	TOTAL NET EXPENDITURE	78,057	77,786	77,736	(50)	(0.1%)

2010/11 Actual £000	Objective Heading	Approved Budget 2011/12 £000	Revised Budget 2011/12 £000	Projected Out-turn 2011/12 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
161	Corporate Director	134	134	139	5	3.7%
5,748	Early Years	5,630	5,701	5,717	16	0.3%
23,089	Primary Schools	20,340	20,787	20,847	60	0.3%
28,980	Secondary Schools	25,668	26,444	26,341	(103)	(0.4%)
3,230	Special Schools	3,070	3,143	3,156	13	0.4%
910	Other Education	3,072	1,438	1,379	(59)	(4.1%)
3,830	School Estate Management Plan	11,913	11,913	11,913	0	-
65,787	TOTAL EDUCATION SERVICES	69,693	69,426	69,353	(73)	(0.1%)
661	Educational Support	733	717	723	6	0.8%
2,346	ASN Units & Placements	4,264	4,324	4,324	0	-
552	Psychological Services	604	604	605	1	0.2%
837	Other Planning	911	866	869	3	0.3%
4,396	TOTAL PLANNING & CULTURE	6,512	6,511	6,521	10	0.2%
.1,145	Community Learning & Development	1,098	1,099	1,107	8	0.7%
314	Sports Development	284	279	279	0	-
41	Other Safer & Inclusive	336	337	337	0	-
1,500	TOTAL SAFER & INCLUSIVE	1,718	1,715	1,723	8	0.5%
71,844	TOTAL EDUCATION COMMITTEE	78,057	77,786	77,736	(50)	(0.1%)

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2010/11</u> £000	<u>New Funding 2011/12</u> £000	<u>Total Funding 2011/12</u> £000	<u>Actual To Period 3 2011/12</u> £000	<u>Projected Spend 2011/12</u> £000	<u>Amount to be Earmarked for 2012/13 & Beyond</u> £000	<u>Lead Officer Update</u>
School Estate M P	Andrew Gerrard	1,964	11,903	13,867	1,703	11,702	2,165	As in previous years the majority of this expenditure will be at the end of the Financial Year. A further review of the Funding Model is due to take place in August 2011.
Binnie Street Nursery	Wilma Bain	28	0	28	0	28	0	Expenditure now likely to be late 2011/12 as a result of planning permission delays.
Lilybank Sensory Room	Linda Wilkie	30	0	30	5	30	0	Work completed except for minor snagging issues.
Total		2,022	11,903	13,925	1,708	11,760	2,165	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget £	(Decrease) Budget £
School Meal Income	1	15,000	
Education HQ Initiatives			15,000
		15,000	15,000

Note

1- Reduction in School Meal Income budget in line with 2010/11 Final Out-turn.