
Report To: Education & Lifelong Learning Committee **Date:** 1 November 2011

Report By: Chief Financial Officer & Corporate Director of Education & Communities **Report No:** FIN/97/11/AP/IC

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Subject: Education & Lifelong Learning 2011/12 Revenue Budget- Period 5 to 31 August 2011

1.0 PURPOSE

- 1.1 To advise Committee of the 2011/12 Revenue Budget position at Period 5 to 31 August 2011.

2.0 SUMMARY

- 2.1 The Education & Lifelong Learning Committee of 6 September 2011 was informed that the projected out-turn for the 2010/11 Revenue Budget as at Period 3 was an underspend of £50,000. The latest projection as at Period 5 is an underspend of £109,000 (0.14% of the total Education & Lifelong Learning Budget.)
- 2.2 The total Education & Lifelong Learning budget for 2011/12 is £78,348,140 of which £12,015,000 relates to the School Estate Management Plan. A further £2,022,000 brought forward as Earmarked Reserves relates to the School Estate Management Plan (£1,964,000) and Early Years Education (£58,000.)
- 2.3 Since the last Committee the total budget has increased by £562,150. Funding for the August 2011 intake of Probationary Teachers, estimated at £576,000, has been added to the Employee Costs budget. A further £92,530 has been added to Employee Costs as per the virement request detailed at paragraph 7.1 and Appendix 4. Savings of £106,380 relating to Teacher's added years pensions, Business Stream water and Janitor costs were removed from the budget.
- 2.4

Education and Lifelong Learning had Earmarked Reserves of £2,022,000 carried forward to 2010/11, the majority relating to the School Estate Management Plan. There is a planned carry forward of £1,991,000 at the end of 2011/12. At the end of Period 5 to August 2011 expenditure was £3,393,00 (28.2%) of the planned expenditure for 2011/12.

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current projected underspend of £109,000 for the 2011/12 revenue budget as at Period 5 to 31 August 2011.

3.2 That the Committee approve the virement of £92,530 as detailed in paragraph 7.1 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 and to highlight the main issues arising.

5.0 2011/12 PROJECTION

- 5.1 The main issues to highlight in relation to the 2011/12 projected underspend of £109,000 are:

Employee Costs:

The 2011/12 budget for Employee Costs is £51,501,220.

The budget for Teachers is currently £37,843,180 including £576,000 for the August 2011 intake of Probationer Teachers. This is an estimated figure as the exact amount of this funding has still to be confirmed by the Scottish Government.

The budget for non-teacher employees is £13,658,040. The latest projection for all Employee Costs is an overspend of £3,000. This is £4,000 less than reported to the last Committee. 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:

A projected underspend of £32,000 was reported to the last Education Committee. The latest projection has now been reduced to an underspend of £25,000.

Breakfast Clubs Supplies:

A budget of £30,000 has been set aside to provide Supplies for Breakfast Clubs. A projected underspend of £10,000 was reported to the last Committee. The latest projection remains the same.

Scottish Qualifications Authority (SQA) :

The SQA budget for 2011/12 is £397,740. This is used to fund the examination costs for Secondary School pupils. The latest projection is an underspend of £129,000. This is a one-off saving for 2011/12 only as a result of a change to the timing of invoices from Academic Year to Financial Year. The Higher Grade examination fees for May 2011 were paid for during Financial Year 2010/11 and there will be no further charges for Higher Grades until 2012/13 when the full budget will be required again.

ASN Placements:

The total 2011/12 budget for ASN Placements is £800,550. The latest projection is an overspend of £22,000 due to five placements being extended beyond their anticipated leaving date. The overspend will be contained within the overall Education Services budget.

Early Years Wrapround Income:

An income budget of £213,000 exists for Early Years Wrapround provision. This is income received from parents for nursery care in addition to the statutory 12.5 hours free care per week given to every child aged three and four.

The March 2011 Education Committee approved the opening of Larkfield Children's Centre to replace the closed Ladybird Nursery. The approved budget for this Centre included £85,000 for wrapround income. The latest projection for 2011/12 shows that Larkfield Children's Centre will under recover by £70,000 due to uptake levels being lower than anticipated. The shortfall at Larkfield has been partially offset by an over recovery of wrapround income at other Council run nurseries. The latest projection for wrapround income is a shortfall of £46,000. This will be contained within the overall Education Services budget.

School Estate Management Plan (SEMP)

Following a review of the SEMP Funding Model, the Education Services budget has been reduced by £102,000. Additional savings of £75,000 for Non Domestic Rates and £27,000 for Contract Catering were transferred to SEMP from Education following the opening of Clydeview Academy. A full report on the revised SEMP Funding model is elsewhere on this Committee Agenda.

6.0 CONCLUSIONS

6.1 The Committee is currently reporting a projected underspend of £109,000 for the 2011/12 revenue budget.

7.0 VIREMENTS

7.1 Committee is asked to approve the virement of £92,530 as detailed in Appendix 4. The virement is required to amalgamate the Community Development Team with Community Learning and Development. The same approval has been requested at the Regeneration Committee.

8.0 IMPLICATIONS

8.1 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	136	2
61,957	Education Services	57,780	57,962	57,819	(143)
4,396	Planning And Culture	6,512	6,430	6,451	21
1,500	Safer Inclusive	1,718	1,807	1,818	11
3,830	SEMP	11,913	12,015	12,015	0
71,844	Total Education	78,057	78,348	78,239	(109)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £1,991,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 28.2% of the projected spend for 2011/12. The majority of expenditure relates to payments for the PPP Unitary Charge with a further £2.2 million relating to Loan Charges paid at the year end.

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.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 5 : 1st April 2011 - 31st August 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>31-Aug-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	37,843	16,895	16,793	37,782	(61)	(0.2%)
14,028	Employee Costs - Non Teacher	13,658	5,703	5,771	13,722	64	0.5%
600	Heating Oil	395	165	126	370	(25)	(6.3%)
11	Breakfast Club Provisions	30	12	3	20	(10)	(33.3%)
402	SQA	398	398	269	269	(129)	(32.4%)
879	ASN Placements	801	274	226	823	22	2.7%
(115)	Wrapround Income	(213)	(213)	(167)	(167)	46	(21.6%)
Total Material Variances						(93)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 5 : 1st April 2011 - 31st August 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	37,843	37,782	(61)	(0.2%)
14,028	Employee Costs - Non Teachers	13,499	13,750	13,814	64	0.5%
10,740	Property Costs	12,806	12,643	12,641	(2)	(0.0%)
4,101	Supplies & Services	3,793	3,772	3,746	(26)	(0.7%)
2,427	Transport Costs	2,271	2,524	2,520	(4)	(0.2%)
497	Administration Costs	481	484	489	5	1.0%
4,280	Other Expenditure	10,570	10,610	10,485	(125)	(1.2%)
(3,984)	Income	(2,905)	(3,278)	(3,238)	40	(1.2%)
71,844	TOTAL NET EXPENDITURE	78,057	78,348	78,239	(109)	(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	136	2	1.5%
5,748	Early Years	5,630	5,714	5,787	73	1.3%
23,089	Primary Schools	20,340	21,346	21,253	(93)	(0.4%)
28,980	Secondary Schools	25,668	26,444	26,325	(119)	(0.5%)
3,230	Special Schools	3,070	3,152	3,175	23	0.7%
910	Other Education	3,072	1,306	1,279	(27)	(2.1%)
3,830	School Estate Management Plan	11,913	12,015	12,015	0	-
65,787	TOTAL EDUCATION SERVICES	69,693	69,977	69,834	(143)	(0.2%)
661	Educational Support	733	717	723	6	0.8%
2,346	ASN Units & Placements	4,264	4,246	4,266	20	0.5%
552	Psychological Services	604	604	595	(9)	(1.5%)
837	Other Education Planning	911	863	867	4	0.5%
4,396	TOTAL PLANNING & CULTURE	6,512	6,430	6,451	21	0.3%
1,145	Community Learning & Development	1,098	1,191	1,201	10	0.8%
314	Sports Development	284	279	280	1	0.4%
41	Other Safer & Inclusive	336	337	337	0	-
1,500	TOTAL SAFER & INCLUSIVE	1,718	1,807	1,818	11	0.6%
71,844	TOTAL EDUCATION COMMITTEE	78,057	78,348	78,239	(109)	(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 5 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	12,015	13,979	3,388	11,988	1,991	The majority of the expenditure relates to payments for the PPP Unitary Charge with a further £2.2m relating to Loans Charges paid at the Year End.
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	12,015	14,037	3,393	12,046	1,991	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget		(Decrease) Budget
		£	£
Community Learning - Employee Costs	1	92,530	
Community Development - Employee Costs (Regen Committee)			(92,530)
		92,530	(92,530)

Note

1- Virement required to amalgamate Community Development Team with Community Learning & Development as per saving SC10 applied to 2011/12 budget. The same approval has been requested at the Regeneration Committee.