
Report To:	Education & Lifelong Learning Committee	Date:	13 March 2012
Report By:	Chief Financial Officer & Corporate Director Education & Communities	Report No:	FIN/19/2012/AP/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education & Lifelong Learning 2011/12 Revenue Budget- Period 9 to 31 December 2011		

1.0 PURPOSE

1.1 To advise Committee of the 2011/12 Revenue Budget position at Period 9 to 31 December 2011.

2.0 SUMMARY

2.1 The Education & Lifelong Learning Committee of 24 January 2012 was informed that the projected out-turn for the 2011/12 Revenue Budget as at Period 7 was an underspend of £87,000. The latest projection as at Period 9 is an underspend of £165,000 (0.2% of the total Education & Lifelong Learning Budget). This represents an increase in the underspend of £78,000 since the last report.

2.2 The total Education & Lifelong Learning budget for 2011/12 is £78,235,400 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 There has been a £30,440 decrease in the budget since the last Committee. There has been a budget increase due to the proposed £27,300 virement from the Regeneration Committee. Workstream savings have been removed for Contract Cleaning (£29,740), Outdoor Education Contract (£20,000) and SPT Bus Contracts (£8,000).

2.4 Education and Lifelong Learning had Earmarked Reserves of £2,022,000 brought forward from 2010/11, the majority relating to the School Estate Management Plan. There is a planned carry forward of £2,317,000 at the end of 2011/12. At December 2011 expenditure was £6,330,000, 54% of the planned expenditure for 2011/12. The majority of expenditure will be at year end as planned.

3.0 RECOMMENDATIONS

3.1 That the Committee note the current projected underspend of £165,000 for the 2011/12 Revenue Budget as at Period 9 to 31 December 2011.

3.2 That the Committee approve the virement of £175,500 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 £165,000 are:

Employee Costs:

The 2011/12 budget for Employee Costs is £51,877,010.

The budget for Teachers is currently £37,890,170 and the latest projection is an overspend of £81,000. Since the last Committee report the total number of teachers has increased by 4.7 FTE due to increased sickness cover. This has added approximately £88,000 to the projected annual costs.

The budget for Non-Teacher employees is £13,986,840 and the latest projection is an overspend of £40,000. This is £23,000 less than previously reported to Committee. The virements of £70,000 from Early Years Framework, £38,500 from EMA Administration Grant and £27,000 from the Regeneration Committee requested in paragraph 7.1 and Appendix 4 have been used to reduce the Employee Costs overspend and are fully reflected in the latest projection.

The overspend for Employee Costs will be contained within the overall Education budget.

Non Domestic Rates:

An underspend of £42,000 relating to the former Greenock Academy building was reported to the last Committee. The latest projected underspend has increased to £93,000 as a result of the Rateable Value of Saint Andrew's Primary School being lower than anticipated.

Heating Oil:

The budget for Heating Oil is £397,000. Following recent school mergers and conversions to gas heating, only St Columba's High School and Kings Glen Primary buildings remain with oil fired heating. The latest projection is an underspend of £10,000 due to lower than expected consumption.

Gas:

The Gas budget is £669,200. The latest projection is an underspend of £67,000. Consumption across all school buildings is lower than expected and there are one-off savings from no useage at Binnie Street Nursery during redevelopment and a meter correction at Inverkip Primary School.

Breakfast Clubs Supplies:

A budget of £30,000 has been set aside to provide Supplies for Breakfast Clubs. A projected underspend of £15,000 was reported to the last Committee. There is no change to the latest projection.

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. An underspend of £129,000 was reported to the last Committee. There is no change to this projection.

ASN Placements:

The total 2011/12 budget for ASN Placements is £800,550. The latest projection is an overspend of £43,000. This is an increase of £10,000 since the last Committee due to an additional child moving from Renfrewshire to Inverclyde. This overspend will be contained within the overall Education Services budget.

Early Years Wrapround Income:

A shortfall of £42,000 for Early Years Wrapround provision was reported to the last Committee. There is no change to the latest projection and the shortfall will continue to be contained within the overall Education Income budget.

School Meal Income

An over recovery of £50,000 for School Meal income was reported to the last Committee. There has been no change to this projection.

6.0 CONCLUSIONS

6.1 The Committee is currently reporting a projected underspend of £165,000 for the 2011/12 revenue budget.

7.0 VIREMENTS

7.1 Committee is asked to approve the virements of £175,500 as detailed in Appendix 4. The virements are required to increase the Employee Costs budget to fund Free At Three in Early Years, the Administration of the EMA payments and the changes to the Community Learning & Development structure. In addition the utilities budget has been reprofiled from gas to electricity.

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	138	4
61,957	Education Services	57,780	57,859	57,654	(205)
4,396	Planning And Culture	6,512	6,449	6,484	35
1,500	Safer Inclusive	1,718	1,778	1,779	1
3,830	SEMP	11,913	12,015	12,015	0
71,844	Total Education	78,057	78,235	78,070	(165)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £2,317,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 54% 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.

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9 : 1st April 2011 - 31st December 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-Dec-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	37,890	28,445	28,447	37,971	81	0.2%
14,028	Employee Costs - Non Teacher	13,987	10,137	10,082	14,027	40	0.3%
2,105	Non Domestic Rates	2,535	2,535	2,453	2,442	(93)	(3.7%)
600	Heating Oil	397	298	211	387	(10)	(2.5%)
402	Gas	629	419	226	562	(67)	(10.7%)
11	Breakfast Club Provisions	30	23	8	15	(15)	(50.0%)
402	SQA	398	398	269	269	(129)	(32.4%)
879	ASN Placements	801	534	560	844	43	5.4%
(922)	School Meal Income	(945)	(642)	657	(995)	(50)	5.3%
(120)	Wraparound Income	(218)	(218)	(176)	(176)	42	(19.3%)
Total Material Variances						(158)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 9 : 1st April 2011 - 31st December 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	37,890	37,971	81	0.2%
14,028	Employee Costs - Non Teachers	13,499	13,987	14,027	40	0.3%
10,740	Property Costs	12,806	12,627	12,443	(184)	(1.5%)
4,101	Supplies & Services	3,793	4,022	4,023	1	0.0%
2,427	Transport Costs	2,271	2,554	2,556	2	0.1%
497	Administration Costs	481	474	480	6	1.3%
4,280	Other Expenditure	10,570	10,092	9,993	(99)	(1.0%)
(3,984)	Income	(2,905)	(3,411)	(3,423)	(12)	0.4%
71,844	TOTAL NET EXPENDITURE	78,057	78,235	78,070	(165)	(0.2%)

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	138	4	3.0%
5,748	Early Years	5,630	5,695	5,778	83	1.5%
23,089	Primary Schools	20,340	21,385	21,307	(78)	(0.4%)
28,980	Secondary Schools	25,668	26,565	26,349	(216)	(0.8%)
3,230	Special Schools	3,070	3,149	3,181	32	1.0%
910	Other Education	3,072	1,065	1,039	(26)	(2.4%)
3,830	School Estate Management Plan	11,913	12,015	12,015	0	-
65,787	TOTAL EDUCATION SERVICES	69,693	69,874	69,669	(205)	(0.3%)
661	Educational Support	733	796	796	0	-
2,346	ASN Units & Placements	4,264	4,206	4,260	54	1.3%
552	Psychological Services	604	604	581	(23)	(3.8%)
837	Other Education Planning	911	843	847	4	0.5%
4,396	TOTAL PLANNING & CULTURE	6,512	6,449	6,484	35	0.5%
1,145	Community Learning & Development	1,098	1,216	1,217	1	0.1%
314	Sports Development	284	247	247	0	-
41	Other Safer & Inclusive	336	315	315	0	-
1,500	TOTAL SAFER & INCLUSIVE	1,718	1,778	1,779	1	0.1%
71,844	TOTAL EDUCATION COMMITTEE	78,057	78,235	78,070	(165)	(0.2%)

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

Project	Lead Officer/ Responsible Manager	Cif Funding 2010/11 £000	New Funding 2011/12 £000	Total Funding 2011/12 £000	Actual To Period 9 2011/12 £000	Projected Spend 2011/12 £000	Amount to be Earmarked for 2012/13 & Beyond £000	Lead Officer Update
School Estate M P	Andrew Gerrard	1,964	12,015	13,979	6,307	11,662	2,317	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. Figures have been updated to reflect the updated SEMP funding model.
Lilybank Sensory Room	Linda Wilkie	30	0	30	23	30	0	Property Services have advised that the ventilation works at Lilybank have still to be carried out as not in original specification. Any costs in addition to £30k will be funded from SEMP.
Binnie Street Nursery	Wilma Bain	28	0	28	0	28	0	Order for Equipment has been placed and delivery is guaranteed before 31 March 2012.
Total		2,022	12,015	14,037	6,330	11,720	2,317	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Early Years - Employee Costs	1	70,000	
Other Expenditure - Early Years Framework			70,000
Secondary Schools - Electricity	2	40,000	
Secondary Schools - Gas			40,000
Education HQ - Non Teacher Employees	3	38,500	
Education HQ - EMA Admin Grant			38,500
Community Development - Employee Costs	4	27,300	
Community Halls - Employee Costs (Regeneration Committee)			27,300
		175,800	175,800

Note

1 - Allocation of £70,000 from Early Years Framework budget of to fund additional staff within Early Years Nurseries. Additional staff are required as a result of "Free At Three" and to fund sickness cover to maintain legally required staffing ratios.

2 - Reallocation of budget based on current consumption at schools.

3 - Reallocation of budget - grant being used to fund additional hours worked on EMA claims.

4- Budget for vacancy within Community Halls reallocated to Community Development following amalgamation with CLD. Approval has also been requested at Regeneration Committee.