
Report To: Education & Communities Committee
Date: 30 October 2012

Report By: Chief Financial Officer & Corporate Director Education, Communities & Organisational Development
Report No: FIN/83/12/AP/IC

Contact Officer: Iain Cameron
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Subject: Education 2012/13 Revenue Budget-Period 5 to 31 August 2012

1.0 PURPOSE

- 1.1 To advise Committee of the 2012/13 Revenue Budget position as at Period 5 to 31 August 2012.

2.0 SUMMARY

- 2.1 The Education & Communities Committee of 4 September 2012 was informed that the projected out-turn for the 2012/13 Revenue Budget, as at Period 3, was an underspend of £30,000. The latest projection, as at Period 5, is an underspend of £259,000 (0.36% of the total Education Budget.) This represents an additional underspend of £229,000 since the last report.
- 2.2 The total Education budget for 2012/13 is £72,786,810. The School Estates Management Plan accounts for £8,556,000 of the total Education budget. A further £1,639,000 brought forward as Earmarked Reserves will also be used primarily to fund the School Estates Management Plan.
- 2.3 The total Education budget has been increased since the last Committee. Funding has been added for Probationer Teachers (£280,000), National 4 and 5 Qualification (£55,000) and Early Years' GIRFEC Officer (£28,000)

3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current projected underspend of £259,000 for 2012/13 as at 31 August 2012.
- 3.2 That the Committee approve the virement of £23,000 as detailed in paragraph 7.1 and Appendix 4.

Alan Puckrin
Chief Financial Officer

Albert Henderson
Corporate Director Education, Communities & OD

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise Committee of the current position of the 2012/13 Revenue Budget and to highlight the main issues arising.

5.0 2012/13 PROJECTION

- 5.1 The main issues to highlight in relation to the 2012/13 projected underspend of £259,000 are:

Employee Costs:

The total budget for employee costs is £50,163,000 and the latest projection is an underspend of £143,000 (0.3% of total budget.) The majority of the underspend of £112,000 for Non Teacher employees relates to vacancies within Early Years Nurseries. The £31,000 projected underspend for Teachers Employee Costs is due to unfilled vacancies within Psychological Services.

Heating Oil:

The cost of heating oil for 2012/13 is projected to be £265,630 resulting in an underspend of £24,000. There is no change to this projection since last Committee.

Electricity & Gas:

The total budget for Electricity and Gas is £1,322,000 and the latest projection is an underspend of £81,000 - £38,000 for Electricity and £43,000 for Gas. Binnie Street Nursery only being occupied for part of the year and the former St Laurence's Primary School building being empty for refurbishment accounts for £33,000 of the projected underspend. The balance relates to anticipated lower consumption across various school buildings.

Clothing Grants :

A budget of £167,000 exists to provide funding towards the purchase price of school uniforms for qualifying families. Based on the uptake for 2011/12 there is a projected overspend of £10,000 for this budget. The overspend will be contained within the overall Education Services budget and there is no change to this projection since last Committee.

ASN Placements:

Following the virement requested in paragraph 7.1 and Appendix 4, the total budget for ASN Placements will be £778,000. The latest projection based on the number of children currently in placements is an underspend of £33,000.

Wrapround Income:

The total budget for Wrapround Income within Early Years' Nurseries is £180,000. The latest projection is a shortfall in income of £18,000 due to a decrease in the uptake of places compared to previous year.

6.0 CONCLUSIONS

6.1 The Committee is currently reporting a projected underspend of £259,000 for the 2012/13 Education revenue budget.

7.0 VIREMENTS

7.1 Committee is asked to approve the virement of £23,000 as detailed in Appendix 4. The virement is required to fund additional employee costs within ASN in order to retain two children within mainstream schools.

8.0 IMPLICATIONS

8.1 The current projected out-turn per Service is:

2011/12 Actual £000	Service	Approved Budget 2012/13 £000	Revised Budget 2012/13 £000	Projected Out-turn 2012/13 £000	Projected over/(under) spend £000
140	Corporate Director	134	134	134	0
54,271	Education Services	52,816	53,118	52,954	(164)
9,667	Inclusive Education	9,324	9,669	9,575	(94)
1,509	Safer Inclusive	1,764	1,510	1,509	(1)
7,370	SEMP	13,841	13,811	13,811	0
	Earmarked Reserves		(2,555)	(2,555)	
	Loan Charges/ DMR		(2,900)	(2,900)	
72,957	Total Education Service excluding Earmarked Reserves	77,879	72,787	72,528	(259)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £2,555,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 31.8% of the projected spend for 2012/13.

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 & Organisational Development and the Chief Financial Officer.

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5 : 1st April 2012 - 31st August 2012**

<u>Out Turn</u> <u>2011/12</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2012/13</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-12</u> <u>£000</u>	<u>Projection</u> <u>2012/13</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
38,016	Employee Costs - Teachers	36,495	15,207	15,241	36,464	(31)	(0.1%)
13,964	Employee Costs - Non Teachers	13,668	5,654	5,455	13,556	(112)	(0.8%)
352	Heating Oil	290	80	61	266	(24)	(8.3%)
587	Electricity	628	209	118	590	(38)	(6.1%)
468	Gas	694	245	170	651	(43)	(6.2%)
177	Clothing Grants	167	159	160	177	10	6.0%
843	ASN Placements	778	323	238	745	(33)	(4.2%)
(174)	Wrapround Income	(180)	(180)	(162)	(162)	18	(10.0%)
Total Material Variances						(253)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 5 : 1st April 2012 - 31st August 2012**

2011/12 Actual £000	Subjective Heading	Approved Budget 2012/13 £000	Revised Budget 2012/13 £000	Projected Out-turn 2012/13 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
38,016	Employee Costs - Teachers	36,715	36,495	36,464	(31)	(0.1%)
13,964	Employee Costs - Non Teachers	12,774	13,668	13,556	(112)	(0.8%)
13,180	Property Costs	7,090	7,136	7,033	(103)	(1.4%)
3,631	Supplies & Services	3,647	3,707	3,707	0	-
2,695	Transport Costs	2,363	2,336	2,336	0	-
431	Administration Costs	445	448	448	0	-
4,350	Other Expenditure	17,530	17,415	17,384	(31)	(0.2%)
(3,310)	Income	(2,685)	(2,963)	(2,945)	18	(0.6%)
72,957	TOTAL NET EXPENDITURE	77,879	78,242	77,983	(259)	(0.3%)
	Earmarked Reserves	0	(2,555)	(2,555)	0	
	Loan Charges / DMR	0	(2,900)	(2,900)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,879	72,787	72,528	(259)	

2011/12 Actual £000	Objective Heading	Approved Budget 2012/13 £000	Revised Budget 2012/13 £000	Projected Out-turn 2012/13 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
140	Corporate Director	134	134	134	0	-
5,745	Early Years	5,970	6,028	5,935	(93)	(1.5%)
21,093	Primary Schools	19,634	20,314	20,270	(44)	(0.2%)
26,235	Secondary Schools	25,161	25,133	25,134	1	0.0%
1,198	Other Education	2,051	1,643	1,615	(28)	(1.7%)
7,370	School Estate Management Plan	13,841	13,811	13,811	0	-
61,641	TOTAL EDUCATION SERVICES	66,657	66,929	66,765	(164)	(0.2%)
890	Educational Support	686	820	814	(6)	(0.7%)
7,550	ASN	7,156	7,497	7,416	(81)	(1.1%)
564	Psychological Services	615	615	595	(20)	(3.3%)
663	Other Education Planning	867	737	750	13	1.8%
9,667	TOTAL INCLUSIVE EDUCATION	9,324	9,669	9,575	(94)	(1.0%)
1,211	Community Learning & Development	1,194	1,191	1,190	(1)	(0.1%)
72	Sports Development	253	107	107	0	-
226	Other Safer & Inclusive	317	212	212	0	-
1,509	TOTAL SAFER & INCLUSIVE	1,764	1,510	1,509	(1)	(0.1%)
72,957	TOTAL EDUCATION COMMITTEE	77,879	78,242	77,983	(259)	(0.3%)
	Earmarked Reserves	0	(2,555)	(2,555)	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2011/12</u> £000	<u>New Funding 2012/13</u> £000	<u>Total Funding 2012/13</u> £000	<u>Actual To Period 5 2012/13</u> £000	<u>Projected Spend 2012/13</u> £000	<u>Amount to be Earmarked for 2013/14 & Beyond</u> £000	<u>Lead Officer Update</u>
School Estate M P	Eddie Montgomery	1,609	13,811	15,420	4,070	12,865	2,555	The majority of the expenditure relates to payments for the PPP Unitary Charge with a further £2.7m relating to Loans Charges paid at the Year End. Figures reflect the updated SEMP funding model.
CfE	Wilma Bain	30	0	30	30	30	0	Spending now complete.
Total		1,639	13,811	15,450	4,100	12,895	2,555	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget		(Decrease) Budget
		£	£
ASN Employee Costs	1	23,000	
ASN Placements			23,000
		23,000	23,000

Note

1 - ASN Employees required to work additional hours to support 2 children in order to educate them in mainstream schools rather than place them externally.