

**Report To:** Education & Communities Committee  
**Date:** 22 January 2013

**Report By:** Chief Financial Officer & Corporate Director of Education, Communities & Organisational Development  
**Report No:** FIN/111/12/AP/IC

**Contact Officer:** Iain Cameron  
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**Subject:** Education 2012/13 Revenue Budget-Period 8 to 30 November 2012

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## 1.0 PURPOSE

- 1.1 To advise Committee of the 2012/13 Revenue Budget position as at Period 8 to 30 November 2012.

## 2.0 SUMMARY

- 2.1 The Education & Communities Committee of 30 October 2012 was informed that the projected out-turn for the 2012/13 Revenue Budget, as at Period 5, was an underspend of £259,000. The latest projection, as at Period 8, is an underspend of £219,000 (0.3% of the total Education Budget.) This represents additional costs of £40,000 since the last report.
- 2.2 The total Education budget for 2012/13 is £72,659,810. The School Estates Management Plan accounts for £8,229,000 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.

## 3.0 RECOMMENDATIONS

- 3.1 That the Committee note the current projected underspend of £219,000 for 2012/13 as at 30 November 2012.
- 3.2 That the Committee approve the virement of £40,000 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 £219,000 are:

### Employee Costs:

The total budget for employee costs is £50,436,000 and the latest projection is an underspend of £74,000 (0.15% of total budget.) The underspend has reduced by £69,000 since the last Committee. This is mainly due to an increase in Teachers costs as a result of additional staff being required for sickness cover and phased returns.

### Heating Oil:

An underspend of £24,000 for Heating Oil was reported to last Committee. The latest projection is an underspend of £38,000.

### Electricity & Gas:

The total budget for Electricity and Gas is £1,322,000 and the latest projection is an underspend of £92,000 - £34,000 for Electricity and £58,000 for Gas. The projected underspend has increased by £11,000 since the last Committee and is due to further reduction in consumption in school buildings.

### Non Domestic Rates (NDR) :

The current budget for NDR is £2,629,330 and the latest projection is an underspend of £15,000 which is mainly due to a change in Rateable Value for the former St Laurence's Primary School building during refurbishment. The projection remains the same as previously reported to Committee.

### Water:

The current budget for Water is £276,200 and the latest projection is an overspend of £14,000. The projected overspend relates to charges still to be received for Binnie Street Children's Centre, St Andrews Primary School and Whinhill Primary School. This overspend will be contained within the overall Education budget.

### 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 the last Committee.

### ASN Placements:

Following approval of the virement requested in Paragraph 7.1 and Appendix 4, the ASN Placements budget will be reduced to £747,550 and the latest projection is an underspend of £28,000. The number of children in placements has reduced by 2 since last Committee. The virement will reallocate their budget to ASN Employee Costs enabling other children to remain within mainstream Education.

### Hospital Tuition :

A budget of £40,000 is allocated to fund the costs associated with children who are in hospital. As a result of numbers being lower than in previous years, there is a projected underspend of £10,000.

### Education IT Charges :

The total budget for IT Recharges is £214,170 and the latest projection is an overspend of £38,000. The overspend relates to the cost of MAVPN data /telephone lines serving schools. The overspend will be contained within the overall Education budget.

### Wrapround Income:

The total budget for Wrapround Income within Early Year's 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. There is no change to the projection since the last Committee.

## **6.0 CONCLUSIONS**

6.1 The Committee is currently reporting a projected underspend of £219,000 for the 2012/13 Education revenue budget.

## **7.0 VIREMENTS**

7.1 The Committee is asked to approve the virements of £40,000 as detailed in Appendix 4. The first virement is required to reallocate excess ASN Placements budget to Employee Costs in order to retain children within mainstream Education. The second virement is requested to reallocate Teachers CPD budget to Teachers Cover budget to allow staff to be released to attend training courses.

## 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	136	2
54,271	Education Services	52,816	53,113	52,993	(120)
9,667	Inclusive Education	9,324	9,673	9,573	(100)
1,509	Safer Inclusive	1,764	1,511	1,510	(1)
7,370	SEMP	13,841	13,811	13,811	0
	Earmarked Reserves		(2,747)	(2,747)	
	Loan Charges/ DMR		(2,835)	(2,835)	
72,957	Total Education Service excluding Earmarked Reserves	77,879	72,660	72,441	(219)

See Appendix 2 for additional detail.

## 9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £2,747,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 44% of the projected spend for 2012/13.

## 10.0 EQUALITIES

10.1 There are no Equalities issues.

## 11.0 REPOPULATION IMPLICATIONS

11.1 There are no repopulation implications.

## **12.0 CONSULTATIONS**

- 12.1 The report is jointly prepared by the Corporate Director of Education, Communities & Organisational Development and the Chief Financial Officer.

**EDUCATION****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 8 : 1st April 2012 - 30 November 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>30-Nov-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	36,583	24,074	24,364	36,651	68	0.2%
13,964	Employee Costs - Non Teachers	13,853	8,803	8,665	13,711	(142)	(1.0%)
2,463	Non Domestic Rates	2,629	2,629	2,593	2,614	(15)	(0.6%)
352	Heating Oil	290	113	122	252	(38)	(13.1%)
587	Electricity	628	313	222	594	(34)	(5.4%)
468	Gas	694	352	292	636	(58)	(8.4%)
199	Water	276	262	261	290	14	5.1%
312	Education IT Charges	214	143	154	252	38	17.8%
1,456	SPT School Buses	1,403	900	880	1,375	(28)	(2.0%)
177	Clothing Grants	167	159	174	177	10	6.0%
36	Hospital Tuition	40	0	0	30	(10)	(25.0%)
843	ASN Placements	748	499	408	720	(28)	(3.7%)
(174)	Wrapround Income	(180)	(180)	(162)	(162)	18	(10.0%)
<b>Total Material Variances</b>						<b>(205)</b>	

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 8 : 1st April 2012 - 30th November 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	36,583	36,651	68	0.2%
13,964	Employee Costs - Non Teachers	12,774	13,853	13,711	(142)	(1.0%)
13,180	Property Costs	7,090	7,132	6,993	(139)	(1.9%)
3,631	Supplies & Services	3,647	3,716	3,766	50	1.3%
2,695	Transport Costs	2,363	2,480	2,455	(25)	(1.0%)
431	Administration Costs	445	447	458	11	2.5%
4,350	Other Expenditure	17,530	17,265	17,230	(35)	(0.2%)
(3,310)	Income	(2,685)	(3,234)	(3,241)	(7)	0.2%
72,957	TOTAL NET EXPENDITURE	77,879	78,242	78,023	(219)	(0.3%)
	Earmarked Reserves	0	(2,747)	(2,747)	0	
	Loan Charges / DMR	0	(2,835)	(2,835)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,879	72,660	72,441	(219)	

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	136	2	1.5%
5,745	Early Years	5,970	6,029	5,906	(123)	(2.0%)
21,093	Primary Schools	19,634	20,596	20,652	56	0.3%
26,235	Secondary Schools	25,161	25,316	25,290	(26)	(0.1%)
1,198	Other Education	2,051	1,172	1,145	(27)	(2.3%)
7,370	School Estate Management Plan	13,841	13,811	13,811	0	-
61,641	TOTAL EDUCATION SERVICES	66,657	66,924	66,804	(120)	(0.2%)
890	Educational Support	686	819	831	12	1.5%
7,550	ASN	7,156	7,502	7,408	(94)	(1.3%)
564	Psychological Services	615	615	597	(18)	(2.9%)
663	Other Education Planning	867	737	737	0	-
9,667	TOTAL INCLUSIVE EDUCATION	9,324	9,673	9,573	(100)	(1.0%)
1,211	Community Learning & Development	1,194	1,191	1,190	(1)	(0.1%)
72	Sports Development	253	108	108	0	-
226	Other Safer & Inclusive	317	212	212	0	-
1,509	TOTAL SAFER & INCLUSIVE	1,764	1,511	1,510	(1)	(0.1%)
72,957	TOTAL EDUCATION COMMITTEE	77,879	78,242	78,023	(219)	(0.3%)
	Earmarked Reserves	0	(2,747)	(2,747)	0	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Education &amp; 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 8 2012/13</u> £000	<u>Projected Spend 2012/13</u> £000	<u>Amount to be Earmarked for 2013/14 &amp; Beyond</u> £000	<u>Lead Officer Update</u>
School Estate M P	Eddie Montgomery	1,609	13,811	15,420	5,565	12,673	2,747	The majority of the expenditure relates to payments for the PPP Unitary Charge with a further £2.6m relating to Loans Charges paid at the Year End. Projected spend has been updated to reflect the revised SEMP model approved at the October Education Committee.
CfE	Wilma Bain	30	0	30	30	30	0	Spending now complete.
<b>Total</b>		<b>1,639</b>	<b>13,811</b>	<b>15,450</b>	<b>5,595</b>	<b>12,703</b>	<b>2,747</b>	



**EDUCATION COMMITTEE****VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Teachers Employee Costs	1	30,000	
ASN Placements			30,000
Teachers Employee Costs	2	10,000	
Teachers CPD HQ			10,000
		<b>40,000</b>	<b>40,000</b>

## Note

1 - Movement of surplus budget from ASN Placements to Employee Costs in order to retain children within mainstream Education.  
(Virement is temporary for 2012/13 only)

2- Allocation of Education HQ CPD budget to Employee Costs to provide additional HQ funded Teacher cover.  
(Virement is temporary for 2012/13 only)