

Report To: Education & Communities Committee
Date: 12 March 2013

Report By: Chief Financial Officer & Corporate Director of Education, Communities & Organisational Development
Report No: FIN/15/13/AP/IC

Contact Officer: Iain Cameron
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Subject: Education 2012/13 Revenue Budget-Period 10 to 31 January 2013

1.0 PURPOSE

- 1.1 To advise Committee of the 2012/13 Revenue Budget position as at Period 10 to 31 January 2013.

2.0 SUMMARY

- 2.1 The Education & Communities Committee of 22 January 2013 was informed that the projected out-turn for the 2012/13 Revenue Budget, as at Period 8, was an underspend of £219,000. The latest projection, as at Period 10, is an underspend of £202,000 (0.3% of the total Education Budget.) This represents additional costs of £17,000 since the last report.
- 2.2 The total Education budget for 2012/13 is £72,629,810. The School Estates Management Plan accounts for £8,782,000 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 £202,000 for 2012/13 as at 31 January 2013.
- 3.2 That the Committee approve the virement of £30,000 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 £202,000 are:

Employee Costs:

The total budget for employee costs is £50,525,000 and the latest projection is a net underspend of £65,000 (0.13% of total budget.) which is an decrease in the underspend reported to the last Committee of £9,000. There is a projected overspend of £56,000 for Teachers. This relates to Supply Teacher HQ cover for longer term sickness and phased returns. The overspend has reduced by £12,000 since last Committee. The overspend on Teachers has been offset by a projected underspend in non teachers employee costs of £121,000 which is mainly due to Early Years Education vacancies.

Heating Oil:

An underspend of £38,000 for Heating Oil was reported to last Committee. The latest projection is an underspend of £30,000.

Electricity & Gas:

The total budget for Electricity and Gas is £1,322,000 and the latest projection is an underspend of £32,000 - £7,000 for Electricity and £25,000 for Gas. Additional costs of £27,000 have been projected for electricity, primarily as a result of charges for Feed In Tariff Recovery received from utility companies for the period 2010 to 2013. Additional costs of £33,000 have been projected for gas as a result of higher consumption in schools over the winter period compared to the previous year.

Non Domestic Rates (NDR) :

The current buget 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 Andrew's Primary School and Whinhill Primary School. This overspend has already been reported to Committee and 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 spend to date, 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:

The ASN Placements budget is £747,550 and the latest projection is an underspend of £44,000. The underspend has increased by £16,000 since last Committee due to a reduction of one placement.

Hospital Tuition :

A budget of £40,000 is allocated to fund the costs associated with educating children who are in hospital. As a result of numbers being lower than in previous years there is a projected underspend of £15,000. The underspend has increased by £5,000 since last Committee.

Education IT Charges :

An overspend of £38,000 was reported to last Committee for IT Recharges. The projected overspend has now reduced to £21,000 as a result of the Serendipity contract stopping 12 months earlier than planned. The Serendipity contract forms part of the 2013/14 budget savings. The remaining overspend within IT Recharges relates to the cost of MAVPN data /telephone lines serving schools. The overspend will be contained within the overall Education budget.

Payments To Other Bodies :

Education & Communities have a three year agreement with the Beacon Arts Centre to provide £25,000 per annum to fund an Arts Development Officer post. It was expected that this post would be filled part way through 2012/13. However, due to delays in filling the post, the budget set aside for this financial year will not be required until 2013/14 and a one-off underspend of £10,840 can be reported for 2012/13.

School Meal Income :

As a result of increased uptake of school meals, there has been an increase in projected income of £30,000. As a consequence of the increased number of meals being produced, the Environment & Regeneration Committee is reporting increased provisions costs. Elsewhere in this report Committee are asked to approve a virement of £30,000 to the Environment & Regeneration Directorate in order that the additional income can be offset against the increased provisions costs.

Following approval of the virement detailed in Paragraph 7.1 and Appendix 4, the total School Meal Income budget will be £1,030,000 and the latest projection is on budget.

Wrapround Income:

The total budget for Wrapround Income within Early Years Nurseries is £180,000.

The latest projection is an over recovery in income of £6,000. This is £24,000 more income than previously reported to Committee and is due to increased uptake by children who have recently started.

6.0 CONCLUSIONS

- 6.1 The Committee is currently reporting a projected underspend of £202,000 for the 2012/13 Education revenue budget.

7.0 VIREMENTS

7.1 The Committee is asked to approve the virement of £30,000 as detailed in Appendix 4. This virement is transferring £30,000 of additional school meals income to the Environment & Regeneration Committee where it will be used to offset against increased provisions costs resulting from additional meals being produced.

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	53,084	52,993	(91)
9,667	Inclusive Education	9,324	9,675	9,566	(109)
1,509	Safer Inclusive	1,764	1,508	1,504	(4)
7,370	SEMP	13,841	13,811	13,811	0
	Earmarked Reserves		(2,796)	(2,796)	
	Loan Charges/ DMR		(2,786)	(2,786)	
72,957	Total Education Service excluding Earmarked Reserves	77,879	72,630	72,428	(202)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £2,796,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 58% of the projected spend for 2012/13. However, a further £2,586,000 relating to loans charges will be paid at the year end increasing the overall percentage spend to 78%.

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.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 10 : 1st April 2012 - 31 January 2013

<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-Jan-13</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	36,648	30,539	30,484	36,704	56	0.2%
13,964	Employee Costs - Non Teachers	13,877	11,215	10,822	13,756	(121)	(0.9%)
2,463	Non Domestic Rates	2,629	2,629	2,632	2,614	(15)	(0.6%)
352	Heating Oil	290	242	188	260	(30)	(10.3%)
468	Gas	694	578	433	669	(25)	(3.6%)
199	Water	276	262	261	290	14	5.1%
312	Education IT Charges	214	178	209	235	21	9.8%
1,456	SPT School Buses	1,403	1,403	1,399	1,376	(27)	(1.9%)
177	Clothing Grants	167	167	176	177	10	6.0%
36	Hospital Tuition	40	33	10	25	(15)	(37.5%)
0	PTOB - Beacon Arts Centre	11	0	0	0	(11)	(100.0%)
843	ASN Placements	748	561	443	704	(44)	(5.9%)
Total Material Variances						(187)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 10 : 1st April 2012 - 31st January 2013**

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	36,648	36,704	56	0.2%
13,964	Employee Costs - Non Teachers	12,774	13,877	13,756	(121)	(0.9%)
13,180	Property Costs	7,090	7,133	7,064	(69)	(1.0%)
3,631	Supplies & Services	3,647	3,725	3,746	21	0.6%
2,695	Transport Costs	2,363	2,490	2,463	(27)	(1.1%)
431	Administration Costs	445	446	455	9	2.0%
4,350	Other Expenditure	17,530	17,278	17,215	(63)	(0.4%)
(3,310)	Income	(2,685)	(3,385)	(3,393)	(8)	0.2%
72,957	TOTAL NET EXPENDITURE	77,879	78,212	78,010	(202)	(0.3%)
	Earmarked Reserves	0	(2,796)	(2,796)	0	
	Loan Charges / DMR	0	(2,786)	(2,786)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,879	72,630	72,428	(202)	

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	5,912	(117)	(1.9%)
21,093	Primary Schools	19,634	20,599	20,654	55	0.3%
26,235	Secondary Schools	25,161	25,295	25,288	(7)	(0.0%)
1,198	Other Education	2,051	1,161	1,139	(22)	(1.9%)
7,370	School Estate Management Plan	13,841	13,811	13,811	0	-
61,641	TOTAL EDUCATION SERVICES	66,657	66,895	66,804	(91)	(0.1%)
890	Educational Support	686	819	819	0	-
7,550	ASN	7,156	7,503	7,416	(87)	(1.2%)
564	Psychological Services	615	615	595	(20)	(3.3%)
663	Other Education Planning	867	738	736	(2)	(0.3%)
9,667	TOTAL INCLUSIVE EDUCATION	9,324	9,675	9,566	(109)	(1.1%)
1,211	Community Learning & Development	1,194	1,191	1,187	(4)	(0.3%)
195	Sports Development	253	235	235	0	-
103	Other Safer & Inclusive	317	82	82	0	-
1,509	TOTAL SAFER & INCLUSIVE	1,764	1,508	1,504	(4)	(0.3%)
72,957	TOTAL EDUCATION COMMITTEE	77,879	78,212	78,010	(202)	(0.3%)
	Earmarked Reserves	0	(2,796)	(2,796)	0	
	Loan Charges / DMR	0	(2,786)	(2,786)	0	
	TOTAL EDUCATION COMMITTEE excluding Earmarked Reserves	77,879	72,630	72,428	(202)	

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 10 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	7,248	12,624	2,796	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.
CIE	Wilma Bain	30	0	30	30	30	0	Spending now complete.
Total		1,639	13,811	15,450	7,278	12,654	2,796	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading	Increase Budget		(Decrease) Budget
		£	£
School Meal Provisions (Environment & Regeneration Committee)	1	30,000	
School Meal Income			30,000
		30,000	30,000

Note

1- £30,000 of additional school meal income being transferred to Environment & Regeneration Committee to be offset against increased provisions costs resulting from increase in number of school meals being produced.