

**Report To:** Education & Communities Committee  
**Date:** 7 May 2013

**Report By:** Chief Financial Officer & Corporate Director Education, Communities & Organisational Development  
**Report No:** FIN/33/13/AP/IC

**Contact Officer:** Iain Cameron  
**Contact No:** 01475 712832

**Subject:** Education 2012/13 Revenue Budget-Period 11 to 28 February 2013

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## 1.0 PURPOSE

- 1.1 To advise Committee of the 2012/13 Revenue Budget position as at Period 11 to 28 February 2013.

## 2.0 SUMMARY

- 2.1 The Education & Communities Committee of 12 March 2013 was informed that the projected out-turn for the 2012/13 Revenue Budget, as at Period 10, was an underspend of £202,000. The latest projection, as at Period 11, is an underspend of £211,000 (0.3% of the total Education Budget.) This represents a reduction in costs of £9,000 since the last report.
- 2.2 The total Education budget for 2012/13 is £72,648,740. The School Estates Management Plan accounts for £8,429,000 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 RECOMMENDATION

- 3.1 That the Committee note the current projected underspend of £211,000 for 2012/13 as at 28 February 2013.

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 £211,000 are:

### Employee Costs:

The total budget for employee costs is £50,555,000 and the latest projection is a net underspend of £65,000 (0.13% of total budget), the same as reported to the last Committee. The projected overspend of £56,000 for Teachers relates to Supply Teacher HQ cover for longer term sickness and phased returns. 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 £30,000 for Heating Oil was reported to last Committee. The latest projection is an underspend of £27,000.

### Electricity & Gas:

The total budget for Electricity and Gas is £1,329,000 and the latest projection is an underspend of £56,000 - £19,000 for Electricity and £37,000 for Gas. Adjusted bills have been received for two Secondary schools resulting in the underspend increasing by £28,000 since last Committee.

### Non Domestic Rates (NDR) :

The current budget for NDR is £2,637,660 and the latest projection is an underspend of £12,000 which is mainly due to a change in Rateable Value for the former St Laurence's Primary School building during refurbishment. Projected costs have increased by £3,000 since last Committee.

### Water:

The current budget for Water is £276,200 and the latest projection is an overspend of £38,000. The projected overspend has increased by £14,000 since last Committee. Very high consumption and the possibility of a burst pipe are being investigated at Moorfoot Primary School.

### 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 £40,000. The underspend has reduced by £4,000 since last Committee due to additional pupil support costs for a 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 which was reported to the last Committee.

### Education IT Charges :

The projected overspend for IT Charges is £21,000. The overspend is the same as reported to last Committee and 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. A one-off underspend of £10,840 was reported to last Committee for this budget. The underspend will now be Earmarked and carried forward to 2013/14.

### School Meal Income :

A virement approved at the March Committee increased the School Meal Income by £30,000 to £1,030,000. Latest projection is an over recovery of income of £25,000. Uptake of meals in Secondary Schools continues to increase compared to the previous year.

## **6.0 CONCLUSIONS**

- 6.1 The Committee is currently reporting a projected underspend of £211,000 for the 2012/13 Education Revenue Budget.

## **7.0 VIREMENTS**

- 7.1 There are no virements this Committee cycle.

## 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	138	4
54,271	Education Services	52,816	53,114	52,990	(124)
9,667	Inclusive Education	9,324	9,675	9,590	(85)
1,509	Safer Inclusive	1,764	1,508	1,502	(6)
7,370	SEMP	13,841	13,811	13,811	0
	Earmarked Reserves		(2,807)	(2,807)	
	Loan Charges/ DMR		(2,786)	(2,786)	
72,957	Total Education Service excluding Earmarked Reserves	77,879	72,649	72,438	(211)

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 64% 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 84%.

## 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 Education, Communities & Organisational Development and the Chief Financial Officer.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 11 : 1st April 2012 - 28 February 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>28-Feb-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	36,650	33,548	33,566	36,719	69	0.2%
13,964	Employee Costs - Non Teachers	13,905	12,085	11,991	13,771	(134)	(1.0%)
2,463	Non Domestic Rates	2,638	2,638	2,632	2,626	(12)	(0.5%)
352	Heating Oil	290	265	212	263	(27)	(9.3%)
587	Electricity	630	522	439	611	(19)	(3.0%)
468	Gas	699	641	514	662	(37)	(5.3%)
199	Water	277	277	261	315	38	13.7%
312	Education IT Charges	214	196	221	235	21	9.8%
1,456	SPT School Buses	1,403	1,403	1,376	1,376	(27)	(1.9%)
177	Clothing Grants	167	167	177	177	10	6.0%
36	Hospital Tuition	40	37	15	25	(15)	(37.5%)
843	ASN Placements	748	708	488	708	(40)	(5.3%)
(996)	School Meal Income	(1,030)	(884)	(911)	(1,055)	(25)	(2.4%)
<b>Total Material Variances</b>						<b>(198)</b>	

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 11 : 1st April 2012 - 28th February 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	36,650	36,719	69	0.2%
13,964	Employee Costs - Non Teachers	12,774	13,905	13,771	(134)	(1.0%)
13,180	Property Costs	7,090	7,182	7,114	(68)	(0.9%)
3,631	Supplies & Services	3,647	3,730	3,765	35	0.9%
2,695	Transport Costs	2,363	2,495	2,473	(22)	(0.9%)
431	Administration Costs	445	447	452	5	1.1%
4,350	Other Expenditure	17,530	17,280	17,216	(64)	(0.4%)
(3,310)	Income	(2,685)	(3,447)	(3,479)	(32)	0.9%
72,957	TOTAL NET EXPENDITURE	77,879	78,242	78,031	(211)	(0.3%)
	Earmarked Reserves	0	(2,807)	(2,807)	0	
	Loan Charges / DMR	0	(2,786)	(2,786)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,879	72,649	72,438	(211)	

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	138	4	3.0%
5,745	Early Years	5,970	6,029	5,905	(124)	(2.1%)
21,093	Primary Schools	19,634	20,615	20,686	71	0.3%
26,235	Secondary Schools	25,161	25,311	25,271	(40)	(0.2%)
1,198	Other Education	2,051	1,159	1,128	(31)	(2.7%)
7,370	School Estate Management Plan	13,841	13,811	13,811	0	-
61,641	TOTAL EDUCATION SERVICES	66,657	66,925	66,801	(124)	(0.2%)
890	Educational Support	686	819	832	13	1.6%
7,550	ASN	7,156	7,503	7,422	(81)	(1.1%)
564	Psychological Services	615	615	586	(29)	(4.7%)
663	Other Education Planning	867	738	750	12	1.6%
9,667	TOTAL INCLUSIVE EDUCATION	9,324	9,675	9,590	(85)	(0.9%)
1,211	Community Learning & Development	1,194	1,191	1,185	(6)	(0.5%)
195	Sports Development	253	235	235	0	-
103	Other Safer & Inclusive	317	82	82	0	-
1,509	TOTAL SAFER & INCLUSIVE	1,764	1,508	1,502	(6)	(0.4%)
72,957	TOTAL EDUCATION COMMITTEE	77,879	78,242	78,031	(211)	(0.3%)
	Earmarked Reserves	0	(2,807)	(2,807)	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 11 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	8,041	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.
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>8,071</b>	<b>12,654</b>	<b>2,796</b>	