
Report To:	Education & Communities Committee	Date:	5 November 2013
Report By:	Head of Finance & Corporate Director Education, Communities & Organisational Development	Report No:	FIN/83/13/JB/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education 2013/14 Revenue Budget-Period 5 to 31 August 2013		

1.0 PURPOSE

- 1.1 To advise the Committee of the 2013/14 Revenue Budget position as at Period 5 to 31 August 2013.

2.0 SUMMARY

- 2.1 The total Education budget for 2013/14 is £71,850,700. The School Estates Management Plan accounts for £14,258,000 of the total Education budget. A further £3,097,000 brought forward as Earmarked Reserves will also be used primarily to fund the School Estates Management Plan.
- 2.2 The latest projection, excluding Earmarked Reserves, is an overspend of £47,000. This is a reduction in expenditure of £184,000 since last Committee. The reduction in expenditure is mainly due to the projected overspend for Employee Costs being reduced as a result of operational changes and delays in filling vacancies within Music and ASN.
- 2.3 The main reasons for this overspend are –
- (a) Projected overspend of £25,000 for Employee Costs mainly due to non-achievement of turnover savings.
 - (b) Projected underspend of £51,000 for Heating Oil following closure of St Columba's Inverkip Road.
 - (c) Projected overspend of £70,000 for Non Domestic Rates (NDR) – St Columba's Gourrock and Port Glasgow Community Campus.
 - (d) Projected overspend for IT Charges £32,000.
 - (e) Projected underspend of £29,000 for School Bus Contracts.
 - (f) Projected overspend of £30,000 for ASN Transport.
 - (g) Projected underspend of £23,000 for Hospital Tuition.
 - (h) Projected underspend of £27,000 for ASN Placements.
 - (i) Projected under recovery of £16,000 for School Meal Income due to a 5% reduction in school meal uptake.

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- 2.4 Earmarked Reserves for 2013/14 total £17,365,000 of which £14,513,000 is projected to be spent in the current financial year. To date expenditure of £4,241,000 (29.2%) has been incurred . However, a further £3,589,000 relating to loan charges will be paid at the year end increasing the overall percentage spend to 54%.
The spend to date per profiling was expected to be £4,433,000 therefore slippage is £192,000 or 4.3% which is not significant.

3.0 RECOMMENDATION

- 3.1 That the Committee note the projected overspend of £47,000 for the Education Revenue budget as at Period 5 to 31 August 2013.

Jan Buchanan
Head of Finance

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 2013/14 Revenue Budget and to highlight the main issues arising.

5.0 2013/14 PROJECTION

- 5.1 The main issues to highlight in relation to the 2013/14 projected overspend of £47,000 are:

Employee Costs:

The total budget for employee costs is £50,043,000 and the latest projection is an overspend of £25,000 (early achievement of budget savings within Early Years partially offsetting the under achievement of turnover savings.) Projected expenditure has reduced by £206,000 since the last Committee and is mainly due to operational changes and planned delays in filling vacancies within Music Services and ASN/Special Schools.

Heating Oil:

An underspend of £51,000 for Heating Oil was reported to last Committee. The latest projection remains the same.

Non Domestic Rates (NDR) :

The current budget for NDR is £2,751,670 and the latest projection is an overspend of £70,000 which is mainly due to the estimated Rateable Value (RV) for the new St Columba's High School and Port Glasgow Community Campus being higher than budgeted. The RV for these buildings has still to be confirmed by the Assessor.

Although not being reported as part of this Committee, it should be noted that NDR refunds amounting to £327,000 relating to previous years have been obtained for various school buildings following successful Rateable Value appeals. The refunds will be reported as a Corporate saving.

Education IT Charges :

A projected overspend of £31,000 was reported to last Committee for Education IT Charges. The latest projection is an overspend of £32,000 and as previously reported this relates to the cost of MAVPN data lines providing internet connections for schools.

SPT School Buses:

An underspend of £59,000 was reported to last Committee for the SPT School Buses contract. The latest projection is an underspend of £29,000. £30,000 of the previously reported underspend was due to the normal school buses for Ardgowan Primary being temporarily replaced by decant buses which are funded by the School Estates Management Plan. Following the review of the Funding Model, this saving has now been transferred to SEMP.

ASN Transport :

The latest projection for ASN Transport is an overspend of £30,000, a reduction in expenditure of £59,000 since last Committee. A review of the ASN contracts carried out by Education Services has concluded that a number of contracts projected to year end by SPT will terminate earlier due to variations and leavers. However, a separate review of transport provision for Lomond View Academy has still to be concluded.

Hospital Tuition :

The latest projection for Hospital Tuition costs is an underspend of £23,000. The underspend is £8,000 more than previously reported to Committee.

ASN Placements :

An underspend of £27,000 for ASN Placements was reported to last Committee. There have been no change to the number of children placed at the start of the new academic year in August and consequently the projected underspend remains the same.

School Meal Income :

The total budget for school meal income is £1,055,000 and the latest projection is an under recovery of income of £16,000. The year to date uptake of school meals is approximately 5% less than in the previous year.

6.0 CONCLUSIONS

6.1 The Committee is currently reporting a projected overspend of £47,000 for the 2013/14 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:

2012/13 Actual £000	Service	Approved Budget 2013/14 £000	Revised Budget 2013/14 £000	Projected Out-turn 2013/14 £000	Projected over/(under) spend £000
140	Corporate Director	134	134	139	5
61,166	Education Services	66,347	66,700	66,749	49
9,773	Inclusive Education	9,495	9,772	9,754	(18)
1,537	Safer Inclusive	1,953	1,814	1,825	11
	Earmarked Reserves		(2,780)	(2,780)	
	Loan Charges/ DMR		(3,789)	(3,789)	
72,616	Total Education Service excluding Earmarked Reserves	77,929	71,851	71,868	47

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £2,852,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 29.2% of the projected spend for 2013/14. However, a further £3,589,000 relating to loan charges will be paid at the year end increasing the overall percentage spend to 54%.

The spend to date per profiling was expected to be £4,433,000 therefore slippage is £192,000 or 4.3% which is not significant.

9.2 This position includes a new Earmarked Reserve for £75,000 to support a Big Lottery Fund bid to expand youth work provision in Port Glasgow as agreed by the Policy & Resources Committee of 24 September 2013.

10.0 EQUALITIES

10.1 There are no Equalities issues.

11.0 REPOPULATION IMPLICATIONS

11.1 There are no Repopulation implications.

12.0 CONSULTATION

12.1 The report is jointly prepared by the Corporate Director Education, Communities and Organisational Development and the Head of Finance.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 5 : 1st April 2013 - 31st August 2013

<u>Out Turn</u> <u>2012/13</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2013/14</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Aug-13</u> <u>£000</u>	<u>Projection</u> <u>2013/14</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
36,851	Employee Costs - Teachers	36,337	14,986	15,098	36,305	(32)	(0.1%)
13,853	Employee Costs - Non Teachers	13,706	5,346	5,344	13,763	57	0.4%
2,583	Non Domestic Rates	2,752	2,752	2,403	2,822	70	2.5%
262	Heating Oil	98	98	47	47	(51)	(52.0%)
221	Education IT Charges	191	79	152	223	32	16.8%
1,233	SPT School Buses	1,240	307	304	1,211	(29)	(2.3%)
671	ASN Transport	568	233	1	598	30	5.3%
22	Hospital Tuition	40	17	0	17	(23)	(57.5%)
678	ASN Placements	534	178	119	507	(27)	(5.1%)
(1,052)	School Meal Income	(1,055)	(279)	(269)	(1,039)	16	(1.5%)
Total Material Variances						43	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 5 : 1st April 2013 - 31st August 2013**

2012/13 Actual £000	Subjective Heading	Approved Budget 2013/14 £000	Revised Budget 2013/14 £000	Projected Out-turn 2013/14 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
36,851	Employee Costs - Teachers	36,075	36,337	36,305	(32)	(0.1%)
13,853	Employee Costs - Non Teachers	13,143	13,706	13,763	57	0.4%
14,735	Property Costs	7,166	7,193	7,205	12	0.2%
3,651	Supplies & Services	3,661	3,652	3,687	35	1.0%
2,585	Transport Costs	2,283	2,388	2,389	1	0.0%
418	Administration Costs	426	457	460	3	0.7%
3,854	Other Expenditure	17,844	17,708	17,663	(45)	(0.3%)
(3,331)	Income	(2,669)	(3,021)	(3,005)	16	(0.5%)
72,616	TOTAL NET EXPENDITURE	77,929	78,420	78,467	47	0.1%
	Earmarked Reserves	0	(2,780)	(2,780)	0	
	Loan Charges / DMR	0	(3,789)	(3,789)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,929	71,851	71,898	47	

2012/13 Actual £000	Objective Heading	Approved Budget 2013/14 £000	Revised Budget 2013/14 £000	Projected Out-turn 2013/14 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
140	Corporate Director	134	134	139	5	3.7%
52,819	Education	52,179	52,442	52,491	49	0.1%
8,347	School Estate Management Plan	14,168	14,258	14,258	0	-
61,166	TOTAL EDUCATION SERVICES	66,347	66,700	66,749	49	0.1%
7,662	ASN	7,416	7,655	7,654	(1)	(0.0%)
2,111	Other Inclusive Education	2,079	2,117	2,100	(17)	(0.8%)
9,773	TOTAL INCLUSIVE EDUCATION	9,495	9,772	9,754	(18)	(0.2%)
1,219	Community Learning & Development	1,616	1,500	1,511	11	0.7%
318	Other Safer & Inclusive	337	314	314	0	-
1,537	TOTAL SAFER & INCLUSIVE	1,953	1,814	1,825	11	0.6%
72,616	TOTAL EDUCATION COMMITTEE	77,929	78,420	78,467	47	0.1%
	Earmarked Reserves	0	(2,780)	(2,780)	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

Project	Lead Officer/ Responsible Manager	clf Funding 2012/13 £000	New Funding 2013/14 £000	Total Funding 2013/14 £000	Phased Budget To Period 5 2013/14 £000	Actual To Period 5 2013/14 £000	Projected Spend 2013/14 £000	Amount to be Earmarked for 2014/15 & Beyond £000	Lead Officer Update
School Estate M P	Eddie Montgomery	3,086	14,168	17,254	4,423	4,228	14,485	2,769	Majority of spend YTD is for Unitary Charge Payments for April to August. Major items of expenditure are planned for later in the Financial Year.
Beacon Arts Centre	Angela Edwards	11	25	36	10	13	28	8	This is funding for Arts Development Officer post. £13k of expenditure YTD is for the period Jan 13 to Sept 13 when post remained vacant. Interviews for post are now scheduled for October 2013 (last reported as August 2013)
Port Glasgow Youth Zone	John Arthur	0	75	75	0	0	0	75	This new reserve was approved at Policy & Resources Committee on 24 Sept 2013 and is a contribution to support a bid to the BLF for funding to expand youth work provision in Port Glasgow. The budget will be phased once detail has been agreed.
Total		3,097	14,268	17,365	4,433	4,241	14,513	2,852	