
Report To:	Education & Communities Committee	Date:	21 January 2014
Report By:	Head of Finance & Corporate Director Education, Communities & Organisational Development	Report No:	FIN/99/13/JB/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education 2013/14 Revenue Budget-Period 7 to 31 October 2013		

1.0 PURPOSE

1.1 To advise the Committee of the 2013/14 Revenue Budget position as at Period 7 to 31 October 2013.

2.0 SUMMARY

- 2.1 The total Education budget for 2013/14 is £72,020,120. The School Estates Management Plan accounts for £14,288,000 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 underspend of £35,000. This is a reduction in expenditure of £82,000 since last Committee. The reduction in expenditure is due to a further Employee Costs savings and increased Property Cost savings primarily due to the delay in opening the Port Glasgow Community Campus.
- 2.3 The main reasons for this underspend are –
- (a) Projected underspend of £22,000 for Employee Costs mainly due to savings in the teachers budget and over achievement of turnover savings.
 - (b) Projected underspend of £51,000 for Heating Oil following closure of St Columba's Inverkip Road.
 - (c) Projected underspend of £24,000 for Biomass fuel at Port Glasgow Community Campus.
 - (d) Projected overspend for Utilities £37,000.
 - (e) Projected underspend of £29,000 for School Bus Contracts.
 - (f) Projected overspend of £36,000 for ASN Transport.
 - (g) Projected underspend of £30,000 for Hospital Tuition.
 - (h) Projected underspend of £10,000 for ASN Equipment.
 - (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 £17,545,000 of which £14,697,000 is projected to be spent in the current financial year. To date expenditure of £5,901,000 (40%) has been incurred . However, a further £3,729,000 relating to loan charges will be paid at the year end increasing the overall percentage spend to 66%.
The spend to date per profiling was expected to be £6,232,000 therefore slippage is £331,000 or 2.3% which is not significant.

3.0 RECOMMENDATION

- 3.1 That the Committee note the projected underspend of £35,000 for the Education Revenue budget as at Period 7 to 31 October 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 underspend of £35,000 are:

Employee Costs:

The total budget for employee costs is £50,256,000 and the latest projection is an underspend of £22,000 (early achievement of budget savings within Early Years and the over achievement of turnover savings.) Projected expenditure has reduced by £47,000 since the last Committee and the movement is mainly due to turnover savings now being achieved.

Heating Oil:

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

Utilities :

Latest projection for utilities is an overspend of £37,000 – overspend of £21,000 for electricity, underspend of £26,000 for gas and an overspend of £42,000 for water. The delay to the opening of the Port Glasgow Community Campus has been included in these projections.

Biomass Fuel:

Biomass will be used to fuel the heating / hot water system at the new Port Glasgow Community Campus. A budget of £57,000 has been created for these costs. Latest projection for 2013/14 is an underspend of £24,000 due to the building only being occupied for part of the year. The full budget will be required for 2014/15.

Education IT Charges :

A projected overspend of £32,000 was reported to last Committee for Education IT Charges. The latest projection remains the same.

SPT School Buses:

An underspend of £29,000 was reported to the last Committee for the SPT School Buses contract. The latest projection remains the same.

ASN Transport :

An overspend of £30,000 was reported to last Committee. The latest projection is an overspend of £36,000. The increased costs are due to an additional external placement requiring transport.

Hospital Tuition :

The latest projection for Hospital Tuition costs is an underspend of £30,000. The underspend is £7,000 more than previously reported to Committee. The number of children in hospital continues to be lower than in previous years.

ASN Placements :

An underspend of £27,000 for ASN Placements was reported to last Committee. As a result of one additional placement and the individual requirements of some children delaying their planned transfer to Inverclyde establishments, the projected underspend has now reduced to £8,000.

School Meal Income :

An under recovery of £16,000 was reported to last Committee as a result of the year to date uptake of school meals being approximately 5% less than in the previous year. This projection remains the same.

6.0 CONCLUSIONS

6.1 The Committee is currently reporting a projected underspend of £35,000 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	145	11
61,166	Education Services	66,347	66,778	66,719	(59)
9,773	Inclusive Education	9,495	9,885	9,887	2
1,537	Safer Inclusive	1,953	1,835	1,846	11
	Earmarked Reserves		(2,823)	(2,823)	
	Loan Charges/ DMR		(3,789)	(3,789)	
72,616	Total Education Service excluding Earmarked Reserves	77,929	72,020	71,985	(35)

See Appendix 2 for additional detail.

9.0 EARMARKED RESERVES

9.1 There is a planned contribution to Earmarked Reserves of £2,848,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 40% of the projected spend for 2013/14. However, a further £3,729,000 relating to loan charges will be paid at the year end increasing the overall percentage spend to 66%.

The spend to date per profiling was expected to be £6,232,000 therefore slippage is £331,000 or 2.3% which is not significant.

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.

EDUCATION**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 7: 1st April 2013 - 31st October 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-Oct-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	36,433	21,290	21,034	36,372	(61)	(0.2%)
13,853	Employee Costs - Non Teachers	13,823	7,171	5,344	13,862	39	0.3%
262	Heating Oil	98	98	47	47	(51)	(52.0%)
0	Biomass - PG Comm Campus	57	0	0	33	(24)	(42.1%)
626	Electricity	639	350	262	660	21	3.3%
691	Gas	770	381	225	744	(26)	(3.4%)
302	Water	264	264	268	306	42	15.9%
221	Education IT Charges	191	111	151	223	32	16.8%
1,233	SPT School Buses	1,240	723	682	1,211	(29)	(2.3%)
671	ASN Transport	568	328	300	598	30	5.3%
22	Hospital Tuition	40	23	0	10	(30)	(75.0%)
178	Clothing Grants	167	167	175	181	14	8.4%
0	ASN Equipment	20	12	0	10	(10)	(50.0%)
(1,052)	School Meal Income	(1,055)	(491)	(482)	(1,039)	16	(1.5%)
Total Material Variances						(37)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 7 : 1st April 2013 - 31st October 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	36,433	36,372	(61)	(0.2%)
13,853	Employee Costs - Non Teachers	13,143	13,823	13,862	39	0.3%
14,735	Property Costs	7,166	7,250	7,217	(33)	(0.5%)
3,651	Supplies & Services	3,661	3,660	3,695	35	1.0%
2,585	Transport Costs	2,283	2,537	2,547	10	0.4%
418	Administration Costs	426	455	457	2	0.4%
3,854	Other Expenditure	17,844	17,794	17,753	(41)	(0.2%)
(3,331)	Income	(2,669)	(3,320)	(3,306)	14	(0.4%)
72,616	TOTAL NET EXPENDITURE	77,929	78,632	78,597	(35)	(0.0%)
	Earmarked Reserves	0	(2,823)	(2,823)	0	
	Loan Charges / DMR	0	(3,789)	(3,789)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,929	72,020	71,985	(35)	

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	145	11	8.2%
52,819	Education	52,179	52,490	52,431	(69)	(0.1%)
8,347	School Estate Management Plan	14,168	14,288	14,288	0	-
61,166	TOTAL EDUCATION SERVICES	66,347	66,778	66,719	(69)	(0.1%)
7,662	ASN	7,416	7,770	7,758	(12)	(0.2%)
2,111	Other Inclusive Education	2,079	2,115	2,129	14	0.7%
9,773	TOTAL INCLUSIVE EDUCATION	9,495	9,885	9,887	2	0.0%
1,219	Community Learning & Development	1,616	1,604	1,615	11	0.7%
318	Other Safer & Inclusive	337	231	231	0	-
1,537	TOTAL SAFER & INCLUSIVE	1,953	1,835	1,846	11	0.6%
72,616	TOTAL EDUCATION COMMITTEE	77,929	78,632	78,597	(35)	(0.0%)
	Earmarked Reserves	0	(2,823)	(2,823)	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

Project	Lead Officer/ Responsible Manager	c/f Funding 2012/13 £000	New Funding 2013/14 £000	Total Funding 2013/14 £000	Phased Budget To Period 7 2013/14 £000	Actual To Period 7 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	14,098	17,184	6,167	5,838	14,619	2,565	New funding and projected spend updated per the latest version of SEMP funding model approved by Education & Communities Committee 05/11/13 and subsequent amendment for the Finance Strategy.
Beacon Arts Centre	Angela Edwards	11	25	36	15	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 previously reported as scheduled for October 2013 are now being reported as taking place on November 21 2013.
Creative Scotland Match Funding	Angela Edwards	0	250	250	50	50	50	200	First instalment of £50k has been paid to the Beacon as per P&R Committee 26/03/13. Remaining £200k is agreed funding up until 2015/16.
Port Glasgow I 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	14,448	17,545	6,232	5,901	14,697	2,848	