
Report To:	Education & Communities Committee	Date:	11 March 2014
Report By:	Head of Finance & Corporate Director Education, Communities & Organisational Development	Report No:	FIN/012/14/JB/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education 2013/14 Revenue Budget-Period 9 to 31 December 2013		

1.0 PURPOSE

- 1.1 To advise the Committee of the 2013/14 Revenue Budget position as at Period 9 to 31 December 2013.

2.0 SUMMARY

- 2.1 The total Education budget for 2013/14 is £71,980,540. The School Estates Management Plan accounts for £14,218,000 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 £82,000. This is a reduction in expenditure of £47,000 since last Committee. The main reasons for the overall reduction in expenditure are summarised in paragraph 2.3 below.
- 2.3 The main reasons for this underspend are –
- (a) Projected underspend of £71,000 for Employee Costs mainly due to savings in the teachers budget and over achievement of turnover savings.
 - (b) Projected underspend of £52,000 for Non Domestic Rates. This is in addition to savings of £369,000 from Rateable Value appeals which will be recorded against a Corporate saving reported to the Policy & Resources Committee instead of this Committee.
 - (c) Projected underspend of £51,000 for Heating Oil following closure of St Columba's Inverkip Road.
 - (d) Projected underspend of £29,000 for Biomass fuel at Port Glasgow Community Campus.
 - (e) Projected overspend for Utilities of £24,000.
 - (f) Projected underspend of £39,000 for School Bus Contracts.
 - (g) Projected overspend of £36,000 for ASN Transport.
 - (h) Projected overspend of £12,000 for ASN Placements.
 - (i) Projected underspend of £20,000 for Early Years Partner Providers.

(j) Projected underspend of £30,000 for Hospital Tuition.

(k) Projected overspend of £10,000 for Clothing Grants.

(l) Projected under recovery of £53,000 for Income from Other Local Authorities within Special Schools.

2.4 Earmarked Reserves for 2013/14 total £17,545,000 of which £14,692,000 is projected to be spent in the current financial year. To date expenditure of £7,564,000 (51%) 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 76%.
The spend to date per profiling was expected to be £8,158,000 therefore slippage is £594,000 or 7.3% which is not significant.

3.0 RECOMMENDATION

3.1 That the Committee note the projected underspend of £82,000 for the Education Revenue budget as at Period 9 to 31 December 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 £82,000 are:

Employee Costs:

The total budget for employee costs is £50,296,000 and the latest projection is an underspend of £71,000 (early achievement of budget savings within Early Years and the over achievement of turnover savings.) Projected expenditure has reduced by £49,000 since the last Committee and the movement is mainly due to turnover savings and further budget savings being implemented earlier than planned.

Non Domestic Rates:

Latest projection for Non Domestic Rates is an underspend of £52,000. The majority of this saving relates to empty buildings relief. The £52,000 saving is in addition to savings of £369,000 from Rateable Value appeals which will be recorded against a Corporate saving reported to the Policy & Resources Committee rather than this Committee.

Heating Oil:

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

Utilities :

Latest projection for utilities is an overspend of £24,000 – overspend of £30,000 for electricity, underspend of £26,000 for gas and an overspend of £20,000 for water. Projected expenditure has reduced by £13,000 since last Committee and this is mainly due to a reduction in the projected overspend for water.

Biomass Fuel:

An underspend of £24,000 for Biomass fuel at Port Glasgow Community campus was reported to the last Committee. The latest projection is an underspend of £29,000. As previously reported to Committee the underspend relates 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 the 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 is an underspend of £39,000 due to a reduction in contract costs for the Port Glasgow Community Campus.

ASN Transport :

An overspend of £36,000 was reported to the last Committee. The latest projection remains the same.

Hospital Tuition :

The latest projection for Hospital Tuition costs is an underspend of £30,000. This is the same as previously reported to Committee.

Clothing Grants :

The budget for Clothing Grants is £167,000. The latest projection is an overspend of £10,000 which is in line with the 2012/13 out turn. It should be noted that for 2014/15 an additional £45,000 has been added to this budget as a result of the grant increasing from the current £63.50 to £80.

ASN Placements :

An underspend of £8,000 for ASN Placements was reported to the last Committee. As a result of a placement continuing for longer than planned, the latest projection is an overspend of £12,000.

School Meal Income :

An under recovery of £16,000 was reported to the last Committee as a result of the year to date uptake of school meals being approximately 5% less than in the previous year. Since the last Committee there has been a slight improvement in uptake rates and as a result the projected income shortfall has reduced to £9,000.

Special Schools – Income from Other Local Authorities :

Various Councils place children from their areas in Craigmarloch and Garvel and pay Inverclyde Council for providing this service. The 2013/14 income budget for this is £246,000. The latest projection is a shortfall of £53,000 which is £46,000 less than received for 2012/13. In common with Inverclyde Council, other local authorities also have policies in place to reduce the number of children in external placements. This has resulted in a decline in the number of external placements in Inverclyde schools.

Early Years Wraparound Income :

Income is generated by charging for nursery provision which is in addition to the statutory free hours. The budget for this service is £211,000 and the latest projection is a shortfall in income of £17,000. The level of uptake has decreased compared to previous years.

6.0 EARMARKED RESERVES

- 6.1 There is a planned contribution to Earmarked Reserves of £2,853,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 51% 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 76%.
The spend to date per profiling was expected to be £8,158,000 therefore slippage is £594,000 or 7.3% which is not significant. The delay to the opening of the Port Glasgow Community Campus is the main reason for the slippage.

7.0 VIREMENTS

- 7.1 There are no virements this Committee cycle

8.0 IMPLICATIONS

8.1 Finance

All financial implications are discussed in detail within the report above.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend This Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	Budget Years	Proposed Spend This Report £000	Virement From	Other Comments
N/A					

8.2 Legal

There are no specific legal implications arising from this report.

8.3 Human Resources

There are no specific human resources implications arising from this report.

8.4 Equalities

There are no equalities issues with this report.

8.5 Repopulation

There are no repopulation issues with this report.

9.0 CONSULTATION

9.1 The paper has been jointly prepared by the Corporate Director Education, Communities & Organisational Development and the Head of Finance.

10.0 BACKGROUND PAPERS

10.1 There are no background papers for this report.

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 9 : 1st April 2013 - 31st December 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-Dec-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	36,368	27,281	27,035	36,292	(76)	(0.2%)
13,853	Employee Costs - Non Teachers	13,928	9,093	9,076	13,933	5	0.0%
2,583	Non Domestic Rates	2,792	2,792	2,399	2,371	(421)	(15.1%)
262	Heating Oil	98	98	47	47	(51)	(52.0%)
0	Biomass - PG Comm Campus	57	36	5	28	(29)	(50.9%)
626	Electricity	641	427	426	671	30	4.7%
691	Gas	772	515	333	746	(26)	(3.4%)
302	Water	264	264	268	284	20	7.6%
221	Education IT Charges	191	111	151	223	32	16.8%
1,233	SPT School Buses	1,203	902	909	1,164	(39)	(3.2%)
671	ASN Transport	568	426	300	604	36	6.3%
678	ASN Placements	534	401	257	546	12	2.2%
277	Early Years Partner Providers	213	163	120	193	(20)	(9.4%)
22	Hospital Tuition	40	23	0	10	(30)	(75.0%)
178	Clothing Grants	167	167	175	177	10	6.0%
(239)	Special Schools Income OLA	(246)	0	0	(193)	53	(21.5%)
(188)	Wrapround Income	(211)	(158)	(249)	(194)	17	(8.1%)
Total Material Variances						(477)	

* NDR Underspend reported as Corporate Saving not to Education Committee

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EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 9 : 1st April 2013 - 31st December 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	35,988	36,368	36,292	(76)	(0.2%)
13,853	Employee Costs - Non Teachers	13,281	13,928	13,933	5	0.0%
14,735	Property Costs	7,167	7,294	7,191	(103)	(1.4%)
3,651	Supplies & Services	3,660	3,680	3,721	41	1.1%
2,585	Transport Costs	2,283	2,542	2,542	0	-
418	Administration Costs	427	448	450	2	0.4%
3,854	Other Expenditure	17,831	17,581	17,553	(28)	(0.2%)
(3,331)	Income	(2,708)	(3,248)	(3,171)	77	(2.4%)
72,616	TOTAL NET EXPENDITURE	77,929	78,593	78,511	(82)	(0.1%)
	Earmarked Reserves	0	(2,621)	(2,621)	0	
	Loan Charges / DMR	0	(3,929)	(3,929)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,929	72,043	71,961	(82)	

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	135	148	13	9.6%
52,819	Education	52,179	52,505	52,327	(178)	(0.3%)
8,347	School Estate Management Plan	14,168	14,218	14,218	0	-
61,166	TOTAL EDUCATION SERVICES	66,347	66,723	66,545	(178)	(0.3%)
7,662	ASN	7,416	7,785	7,867	82	1.1%
2,111	Other Inclusive Education	2,079	2,114	2,115	1	0.0%
9,773	TOTAL INCLUSIVE EDUCATION	9,495	9,899	9,982	83	0.8%
1,219	Community Learning & Development	1,616	1,522	1,522	0	-
318	Other Safer & Inclusive	337	314	314	0	-
1,537	TOTAL SAFER & INCLUSIVE	1,953	1,836	1,836	0	-
72,616	TOTAL EDUCATION COMMITTEE	77,929	78,593	78,511	(82)	(0.1%)
	Earmarked Reserves	0	(2,621)	(2,621)	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2012/13</u> £000	<u>New Funding 2013/14</u> £000	<u>Total Funding 2013/14</u> £000	<u>Phased Budget To Period 9 2013/14</u> £000	<u>Actual To Period 9 2013/14</u> £000	<u>Projected Spend 2013/14</u> £000	<u>Amount to be Earmarked for 2014/15 & Beyond</u> £000	<u>Lead Officer: Update</u>
School Estate M P	Eddie Montgomery	3,086	14,098	17,184	8,089	7,501	14,619	2,565	New funding and projected spend updated per the latest version of SEMP funding model approved by Education & Communities Committee 05/1/13 and subsequent amendment for the Finance Strategy. Some expenditure delayed due to late opening of PG Community Campus but still expected to be spent this Financial Year.
Beacon Arts Centre	Angela Edwards	11	25	36	19	13	23	13	This is funding for Arts Development Officer post. £13k of YTD expenditure paid to Beacon for the period Jan 13 to Sept 13 when no person was in post. The post was filled in January 2014.
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	8,158	7,564	14,692	2,853	