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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>6 May 2014</b>
<b>Report By:</b>	<b>Head of Finance &amp; Corporate Director Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>FIN/022/14/JB/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Education 2013/14 Revenue Budget-Period 11 to 28 February 2014</b>		

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## 1.0 PURPOSE

- 1.1 To advise the Committee of the 2013/14 Revenue Budget position as at Period 11 to 28 February 2014.

## 2.0 SUMMARY

- 2.1 The total Education budget for 2013/14 is £71,984,560. 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 £81,000. This is a reduction in expenditure of £1,000 since the 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 £83,000 for Employee Costs mainly due to early achievement of savings in the teachers budget and over achievement of turnover savings.
  - (b) Projected underspend of £22,000 for Non Domestic Rates. This is in addition to savings of £317,000 from Rateable Value appeals which will be recorded against a Corporate saving reported to 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 £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 £42,000 for ASN Placements.
  - (i) Projected underspend of £20,000 for Early Years Partner Providers.

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

(k) Projected overspend of £11,000 for Clothing Grants.

(l) Projected under recovery of £33,000 for Income from Other Local Authorities within Special Schools.

(m) Projected under recovery of £17,000 for Early Years Wrapround Income.

2.4 Earmarked Reserves for 2013/14 total £17,495,000 of which £14,260,000 is projected to be spent in the current financial year. To date expenditure of £9,191,000 (64%) 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 91%.

The spend to date per profiling was expected to be £9,736,000 therefore slippage is £545,000 or 5.86% of the total projected spend for the year which is not significant.

### **3.0 RECOMMENDATION**

3.1 That the Committee note the projected underspend of £81,000 for the Education Revenue budget as at Period 11 to 28 February 2014.

Jan Buchanan  
Head of Finance

Patricia Cassidy  
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 £81,000 are:

### Employee Costs:

The total budget for employee costs is £50,675,000 and the latest projection is an underspend of £83,000 (early achievement of budget savings within Early Years and the over achievement of turnover savings.) Projected expenditure has reduced by £12,000 since the last Committee and the movement is mainly due to expenditure on ASN cover being lower than expected.

### Non Domestic Rates:

Latest projection for Non Domestic Rates is an underspend of £22,000, a reduction of £30,000 since the last Committee. This is due to final Rateable Value for the Port Glasgow Community campus being higher than estimated and no disabled relief being granted for Craigmarnock. The £22,000 projected underspend is in addition to savings of £317,000 from Rateable Value appeals for prior years 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. This is the same as last Committee.

### Biomass Fuel:

An underspend of £29,000 for Biomass fuel at Port Glasgow Community campus was reported to the last Committee. The latest projection remains the same. 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 £39,000 was reported to the last Committee for the SPT School Buses contract. The latest projection remains the same.

### 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 £11,000 which is in line with the 2012/13 out turn. As previously reported to Committee, an additional £45,000 from the Welfare Reforms Fund has been added to this budget for 2014/15 as a result of the grant increasing from the current £63.50 to £80.

### ASN Placements :

An overspend of £12,000 for ASN Placements was reported to the last Committee. As a result of a 34% price increase for two placements with Glasgow City Council, the latest projection is an overspend of £42,000.

### School Meal Income :

An under recovery of £9,000 was reported to the last Committee when a slight increase in uptake numbers was being predicted. As a result of further increased uptake of meals since the start of 2014, the latest projection is now an over recovery of £16,000.

### Special Schools – Income from Other Local Authorities :

A projected shortfall in income of £53,000 was reported to the last Committee. Following a review of charges by Education Services this has been reduced to a shortfall of £33,000. The number of children placed in Inverclyde by other Local Authorities continues to decline year on year as like Inverclyde, these Councils have a policy to educate their children locally where possible.

### Early Years Wraparound Income :

A shortfall in income of £17,000 was reported to last Committee. The latest projection remains the same.

## **6.0 EARMARKED RESERVES**

- 6.1 There is a planned contribution to Earmarked Reserves of £3,235,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 64% 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 91%.

The spend to date per profiling was expected to be £9,736,000 therefore slippage is £545,000 or 5.86% which is not significant.

## **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.

**EDUCATION****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 11 : 1st April 2013 - 28th February 2014**

<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>28-Feb-14</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	36,738	33,401	33,220	36,664	(74)	(0.2%)
13,853	Employee Costs - Non Teachers	13,937	10,936	10,911	13,928	(9)	(0.1%)
2,583	Non Domestic Rates	2,794	2,794	2,455	2,455	(339)	(12.1%)*
262	Heating Oil	98	98	47	47	(51)	(52.0%)
0	Biomass - PG Comm Campus	57	52	5	28	(29)	(50.9%)
626	Electricity	641	588	596	671	30	4.7%
691	Gas	772	708	465	746	(26)	(3.4%)
302	Water	264	264	268	284	20	7.6%
221	Education IT Charges	191	175	214	223	32	16.8%
1,233	SPT School Buses	1,203	1,103	1,090	1,164	(39)	(3.2%)
671	ASN Transport	568	521	300	604	36	6.3%
678	ASN Placements	534	490	378	576	42	7.9%
277	Early Years Partner Providers	213	195	173	193	(20)	(9.4%)
22	Hospital Tuition	40	37	4	10	(30)	(75.0%)
178	Clothing Grants	167	167	178	178	11	6.6%
(239)	Special Schools Income OLA	(246)	0	0	(213)	33	(13.4%)
(1,052)	School Meal Income	(1,055)	(914)	(904)	(1,071)	(16)	1.5%
(188)	Wrapround Income	(211)	(193)	(193)	(194)	17	(8.1%)
<b>Total Material Variances</b>						<b>(412)</b>	

\* NDR Underspend reported as Corporate Saving not to Education Committee

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 11 : 1st April 2013 - 28th February 2014**

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	36,738	36,664	(74)	(0.2%)
13,853	Employee Costs - Non Teachers	13,281	13,937	13,928	(9)	(0.1%)
14,735	Property Costs	7,167	7,297	7,218	(79)	(1.1%)
3,651	Supplies & Services	3,660	3,671	3,715	44	1.2%
2,585	Transport Costs	2,283	2,542	2,542	0	-
418	Administration Costs	427	460	463	3	0.7%
3,854	Other Expenditure	17,831	17,564	17,565	1	0.0%
(3,331)	Income	(2,708)	(3,260)	(3,227)	33	(1.0%)
72,616	TOTAL NET EXPENDITURE	77,929	78,949	78,868	(81)	(0.1%)
	Earmarked Reserves	0	(3,036)	(3,036)	0	
	Loan Charges / DMR	0	(3,929)	(3,929)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	77,929	71,984	71,903	(81)	

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	52,820	52,647	(173)	(0.3%)
8,347	School Estate Management Plan	14,168	14,218	14,218	0	-
61,166	TOTAL EDUCATION SERVICES	66,347	67,038	66,865	(173)	(0.3%)
7,662	ASN	7,416	7,814	7,892	78	1.0%
2,111	Other Inclusive Education	2,079	2,126	2,127	1	0.0%
9,773	TOTAL INCLUSIVE EDUCATION	9,495	9,940	10,019	79	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	78,949	78,868	(81)	(0.1%)
	Earmarked Reserves	0	(3,036)	(3,036)	0	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Education &amp; Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2012/13</u>	<u>New Funding 2013/14</u>	<u>Total Funding 2013/14</u>	<u>Phased Budget To Period 11 2013/14</u>	<u>Actual To Period 11 2013/14</u>	<u>Projected Spend 2013/14</u>	<u>Amount to be Earmarked for 2014/15 &amp; Beyond</u>	<u>Lead Officer Update</u>
		<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
School Estate M P	Eddie Montgomery	3,086	14,048	17,134	9,663	9,128	14,187	2,947	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. Majority of PG Community Campus decant expenditure was paid in Period 10.
Beacon Arts Centre	Angela Edwards	11	25	36	23	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.
<b>Total</b>		<b>3,097</b>	<b>14,398</b>	<b>17,495</b>	<b>9,736</b>	<b>9,191</b>	<b>14,260</b>	<b>3,235</b>	