
Report To:	Education & Communities Committee	Date:	4 November 2014
Report By:	Head of Finance & Corporate Director Education, Communities & Organisational Development	Report No:	FIN/059/14/JB/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	Education 2014/15 Revenue Budget- Period 5 to 31 August 2014		

1.0 PURPOSE

- 1.1 To advise the Committee of the 2014/15 Revenue Budget position as at Period 5 to 31 August 2014.

2.0 SUMMARY

- 2.1 The total Education budget for 2014/15 is £72,835,120. The School Estates Management Plan accounts for £14,190,000 of the total Education budget. A further £564,000 brought forward as Earmarked Reserves will also be used primarily to fund Community Learning & Development I-Youth Zones and Arts Development.
- 2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £91,000. This is a reduction in expenditure of £278,000 since last Committee.
- 2.3 The main reasons for the projected underspend are –
- (a) Projected underspend of £85,000 for Employee Costs. The Teachers budget is projected to overspend by £92,000, mainly due to additional staff required at Craigmarnoch School. This overspend is offset by a projected underspend for Non-Teacher employees mainly within Early Years Education.
 - (b) Projected underspend of £74,000 for Utilities. Electricity is projected to underspend by £16,000, Gas is projected to underspend by £80,000 and Water is projected to overspend by £22,000.
 - (c) Projected underspend of £33,000 for Janitors.
 - (d) Projected overspend of £20,000 for Education IT charges.
 - (e) Projected overspend of £50,000 for ASN Transport.
 - (f) Projected underspend of £10,000 for Hospital Tuition.
 - (g) Projected overspend of £10,000 for Breakfast Club provisions.
 - (h) Projected overspend of £12,000 for Clothing Grants.
 - (i) Projected overspend of £20,000 due to a shortfall in income from Other Local Authorities for placements in Inverclyde Special Schools.

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- 2.4 Earmarked Reserves for 2014/15 total £681,000 of which £352,000 is projected to be spent in the current financial year. To date expenditure of £46,000 (13%) has been incurred. The expected spend to date per profiling matches the actual expenditure and there is no slippage to report at this time.

3.0 RECOMMENDATION

- 3.1 That the Committee note the projected underspend of £91,000 for the Education Revenue budget as at Period 11 to 28 February 2014.
- 3.2 That the Committee approve the virement of £50,000 as detailed in paragraph 7.1 and Appendix 4.

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 2014/15 PROJECTION

- 5.1 The main issues to highlight in relation to the 2014/15 projected underspend of £91,000 are:

Employee Costs:

The total budget for employee costs is £51,467,000 and the latest projection is an underspend of £85,000. The Teachers budget is projected to overspend by £92,000. Additional ASN Teachers are required to support the school roll at Craigmarloch. An additional Teacher is also required to support an increased roll at the Garvel School within Clydeview Academy. This post will be fully funded by the virement of £20,000 from ASN Placements budget being requested in paragraph 7.1 of this report. The overspend for Teachers is offset by an underspend of £177,000 for Non Teachers. This is mainly due to savings within Early Years Education where a number of nurseries are not running at capacity.

Utilities:

Latest projection for utilities is an underspend of £74,000. Electricity is projected to underspend by £16,000, Gas is projected to underspend by £80,000 and Water is projected to overspend by £22,000. The projected expenditure on Utilities has reduced by £109,000 since the last Committee report, mainly due to previously issued invoices being corrected by utility providers.

Janitors:

Latest projection for Janitors is an underspend of £33,000, an increase of £13,000 since the last Committee report. The projected underspend represents 3% of the total budget for Janitors.

Education IT Charges:

A projected overspend of £20,000 was reported to last Committee for Education IT Charges. The latest projection remains the same and is mainly due to the cost of internet data lines to schools.

Breakfast Club Provisions:

An overspend of £10,000 was reported to the last Committee for Breakfast Club Provisions. The latest projection remains the same and is due to the roll out of the Clubs to seventeen of the twenty Inverclyde Primary Schools. Officers are currently investigating external funding from sources such as the NHS and looking at other areas of the Education budget for virements to fully fund the Breakfast Club Provisions by the end of the Financial Year.

ASN Transport:

The latest projection for ASN Transport is an overspend of £50,000. This is in line with the final out turn for 2013/14 and is due to increased transport provision for children within Inverclyde.

Hospital Tuition:

The latest projection for Hospital Tuition costs is an underspend of £10,000. This is the same as previously reported to Committee and is due to fewer children being in hospital than budgeted for.

Clothing Grants:

The budget for Clothing Grants is £212,170 following the addition of £45,000 for 2014/15 as a result of the grant increasing from £63.50 to £80. The latest projection based on the number of grants awarded in August 2014 is an overspend of £12,000. This is in line with the out turn in the previous year.

ASN Placements:

The 2014/15 budget for ASN Placements is £505,020. This will be reduced to £455,020 following the virement of £50,000 to Employee Costs and Income from Other Local Authorities requested in paragraph 7.1. Following this budget reduction, the latest projection is on budget.

Special Schools – Income from Other Local Authorities:

A projected shortfall in income of £50,000 was reported to the last Committee. As a result of the virement requested in paragraph 7.1 to reduce the income budget by £30,000, the projected shortfall has now been reduced to £20,000.

6.0 EARMARKED RESERVES

- 6.1 There is a planned contribution to Earmarked Reserves of £329,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 13% of the projected spend for 2014/15. The spend to date per profiling is £57,000 compared to actual year to date spend of £46,000 resulting in slippage to date of £11,000 (19%).

7.0 VIREMENTS

- 7.1 Committee are asked to approve the virement of £50,000 as detailed in Appendix 4. The virement is transferring £50,000 from the ASN Placements budget. £20,000 will be added to the Employee Costs budget to fund an additional Teacher required at Garvel School for the Deaf within Clydeview Academy. In addition £30,000 will be transferred to the Income from Other Local Authorities budget to reduce the projected shortfall in income. The virement is for Financial Year 2014/15 only and is not permanent.

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.

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 5 : 1st April 2014 - 31st August 2014**

<u>Out Turn</u> 2013/14 £000	<u>Budget</u> <u>Heading</u>	<u>Budget</u> 2014/15 £000	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> 31-Aug-14 £000	<u>Projection</u> 2014/15 £000	<u>(Under)/Over</u> <u>Budget</u> £000	<u>Percentage</u> <u>Over / (Under)</u>
36,760	Employee Costs - Teachers	36,076	15,032	15,080	36,168	92	0.3%
13,989	Employee Costs - Non Teachers	15,391	5,887	5,795	15,214	(177)	(1.2%)
798	Electricity	735	278	148	719	(16)	(2.2%)
712	Gas	678	252	54	598	(80)	(11.8%)
248	Water	255	255	322	277	22	8.6%
1,054	Janitors	1,109	462	397	1,076	(33)	(3.0%)
220	Education IT Charges	191	79	99	211	20	10.5%
621	ASN Transport	555	231	3	605	50	9.0%
13	Hospital Tuition	40	17	0	30	(10)	(25.0%)
21	Breakfast Club Provisions	15	5	7	25	10	66.7%
179	Clothing Grants	212	88	180	224	12	5.7%
(218)	Special Schools Income OLA	(263)	0	0	(243)	20	(7.6%)
Total Material Variances						(90)	

EDUCATION**REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 5 : 1st April 2014 - 31st August 2014**

2013/14 Actual £000	Subjective Heading	Approved Budget 2014/15 £000	Revised Budget 2014/15 £000	Projected Out-turn 2014/15 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
36,760	Employee Costs - Teachers	36,155	36,076	36,168	92	0.3%
13,989	Employee Costs - Non Teachers	14,691	15,391	15,214	(177)	(1.2%)
13,201	Property Costs	7,214	16,897	16,791	(106)	(0.6%)
3,665	Supplies & Services	3,632	3,640	3,665	25	0.7%
2,686	Transport Costs	2,345	2,361	2,411	50	2.1%
407	Administration Costs	450	455	457	2	0.4%
3,837	Other Expenditure	17,532	8,411	8,414	3	0.0%
(3,142)	Income	(2,648)	(3,227)	(3,207)	20	(0.6%)
71,403	TOTAL NET EXPENDITURE	79,371	80,004	79,913	(91)	(0.1%)
	Earmarked Reserves	0	(2,559)	(2,559)	0	
	Loan Charges / DMR	0	(4,610)	(4,610)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	79,371	72,835	72,744	(91)	

2013/14 Actual £000	Objective Heading	Approved Budget 2014/15 £000	Revised Budget 2014/15 £000	Projected Out-turn 2014/15 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
155	Corporate Director	137	137	144	7	5.1%
52,251	Education	53,671	54,239	54,042	(197)	(0.4%)
7,268	School Estate Management Plan	14,160	14,190	14,190	0	-
59,519	TOTAL EDUCATION SERVICES	67,831	68,429	68,232	(197)	(0.3%)
8,441	ASN	8,048	8,083	8,229	146	1.8%
1,496	Other Inclusive Education	1,498	1,518	1,486	(32)	(2.1%)
9,937	TOTAL INCLUSIVE EDUCATION	9,546	9,601	9,715	114	1.2%
1,590	Community Learning & Development	1,609	1,610	1,595	(15)	(0.9%)
202	Other Safer & Inclusive	248	227	227	0	-
1,792	TOTAL SAFER & INCLUSIVE	1,857	1,837	1,822	(15)	(0.8%)
71,403	TOTAL EDUCATION COMMITTEE	79,371	80,004	79,913	(91)	(0.1%)
	Earmarked Reserves	0	(2,559)	(2,559)	0	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Education & Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2013/14</u> £000	<u>New Funding 2014/15</u> £000	<u>Total Funding 2014/15</u> £000	<u>Phased Budget To Period 5 2014/15</u> £000	<u>Actual To Period 5 2014/15</u> £000	<u>Projected Spend 2014/15</u> £000	<u>Amount to be Earmarked for 2015/16 & Beyond</u> £000	<u>Lead Officer Update</u>
Creative Scotland Match Funding	Angela Edwards	200	0	200	0	0	100	100	Funding for years 2 and 3 of 3 year funding agreement.
Port Glasgow / Youth Zone	John Arthur	288	0	288	0	0	71	217	Funding will allow I-Youth Zone centres to be run in Gourrock and Port Glasgow for 2 years. Both premises anticipated to open by end of 2014.
Early Years Change Fund	Angela Edwards	43	43	86	32	25	74	12	Funding for 2 posts until March 2015.
1+2 Languages	Wilma Bain	33	74	107	25	21	107	0	Principal Teacher in post from 01/04/14. Additional funding of £74k for 2014/15 now confirmed by Scottish Government.
Total		564	117	681	57	46	352	329	

EDUCATION COMMITTEE**VIREMENT REQUESTS**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Garvel School - Teachers	1	20,000	
Income From Other Local Authorities	2	30,000	
ASN Placements			50,000
		50,000	50,000

Note

1 - £20,000 will be used to fund a Teacher of the Deaf for 6 months in Garvel School within Clydeview Academy.

2- £30,000 will be used to reduce the projected shortfall for Income from Other Local Authorities for Special School places.