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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>20 January 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer &amp; Corporate Director Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>FIN/80/14/AP/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Education 2014/15 Revenue Budget-Period 7 to 31 October 2014</b>		

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## 1.0 PURPOSE

- 1.1 To advise the Committee of the 2014/15 Revenue Budget position as at Period 7 to 31 October 2014.

## 2.0 SUMMARY

- 2.1 The total Education budget for 2014/15 is £73,143,690. 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 £198,000. This is a reduction in expenditure of £107,000 since the last Committee.
- 2.3 The main reasons for the projected underspend are –
- (a) Projected underspend of £171,000 for Employee Costs. The Teachers budget is projected to overspend by £33,000, mainly due to additional staff required at Craigmarloch School. This overspend is offset by a projected underspend for Non-Teacher employees within Early Years and Special Schools.
  - (b) Projected underspend of £101,000 for Utilities. Electricity is projected to underspend by £24,000, Gas is projected to underspend by £112,000 and Water is projected to overspend by £35,000.
  - (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 underspend 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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(j) Projected overspend of £30,000 due to shortfall in income for Early Years Wrapround income.

2.4 Earmarked Reserves for 2014/15 total £681,000 of which £324,000 is projected to be spent in the current financial year. To date expenditure of £105,000 (32%) has been incurred. Slippage is currently 26% due to delays in opening I-Youth Zones.

### **3.0 RECOMMENDATION**

3.1 That the Committee note the projected underspend of £198,000 for the Education Revenue budget as at Period 7 to 31 October 2014.

Alan Puckrin  
Chief Financial Officer

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 2014/15 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 £198,000 are:

### Employee Costs:

The total budget for employee costs is £51,865,000 and the latest projection is an underspend of £171,000. The Teachers budget is projected to overspend by £33,000. Additional ASN Teachers are required to support the school roll at Craigmarloch. The overspend for Teachers is offset by an underspend of £204,000 for Non Teachers. This is due to savings within Early Years Education where a number of nurseries are not running at capacity and vacant non-teacher posts within Craigmarloch.

### Utilities:

Latest projection for utilities is an underspend of £101,000. Electricity is projected to underspend by £24,000, Gas is projected to underspend by £112,000 and Water is projected to overspend by £35,000. The projected expenditure on Utilities has reduced by £27,000 since the last Committee report, mainly due to lower than expected gas consumption as a result of the mild weather.

### Janitors :

Latest projection for Janitors is an underspend of £33,000. There is no change to this projection since last Committee. The projected underspend represents 3% of the total budget for Janitors.

### Education IT Charges :

A projected overspend of £20,000 was reported to the 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.

### ASN Transport:

The latest projection for ASN Transport is an overspend of £50,000. This is the same as previously reported to Committee and is in line with the final out turn for 2013/14. The projected overspend 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 2014/15 budget for Clothing Grants is £212,170 and a projected overspend of £12,000, based on the uptake in the previous year was reported to the last Committee. The vast majority of clothing grant claims have now been processed for this financial year and there has been a 10% reduction in claims compared to last year. As a result of fewer claims the latest projection is now an underspend of £12,000.

### Early Years Wraparound Income :

The current budget for Wraparound Income is £187,330. As a result of the increase in free child care to 600 hours from August 2014, it was anticipated there would be reduction in income. The 2014/15 budget was reduced by £28,000 as a result. Despite this reduction the latest projection is a shortfall of £30,000 in addition to the impact of the increased free child care.

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

Following the virement approved at the last Committee the budget has been reduced to £263,070 and the latest projection is a shortfall in income of £20,000. There is no change to this projection since the last Committee.

## **6.0 EARMARKED RESERVES**

6.1 There is a planned contribution to Earmarked Reserves of £357,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 32% of the projected spend for 2014/15. The spend to date per profiling is £141,000 compared to actual year to date spend of £105,000 resulting in slippage to date of £36,000 (26%) The slippage is a result of delays to the opening of the I-Youth zones in Gourrock and Port Glasgow.

## **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 Chief Financial Officer.

## **10.0 BACKGROUND PAPERS**

10.1 There are no background papers for this report.

**EDUCATION****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 7 : 1st April 2014 - 31st October 2014**

<u>Out Turn</u> <u>2013/14</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Budget</u> <u>2014/15</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u>	<u>Actual to</u> <u>31-Oct-14</u> <u>£000</u>	<u>Projection</u> <u>2014/15</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Over / (Under)</u>
36,760	Employee Costs - Teachers	36,366	21,217	21,089	36,399	33	0.1%
13,989	Employee Costs - Non Teachers	15,499	8,134	7,915	15,295	(204)	(1.3%)
798	Electricity	734	397	281	710	(24)	(3.3%)
712	Gas	678	352	160	566	(112)	(16.5%)
248	Water	255	255	317	290	35	13.7%
1,054	Janitors	1,109	647	413	1,076	(33)	(3.0%)
220	Education IT Charges	191	111	121	211	20	10.5%
621	ASN Transport	555	324	3	605	50	9.0%
13	Hospital Tuition	40	23	0	30	(10)	(25.0%)
21	Breakfast Club Provisions	15	6	11	25	10	66.7%
179	Clothing Grants	212	124	197	200	(12)	(5.7%)
(192)	Early Years Wrapround Income	(187)	(187)	(157)	(157)	30	(16.0%)
(218)	Special Schools Income OLA	(263)	(153)	(64)	(243)	20	(7.6%)
<b>Total Material Variances</b>						<b>(197)</b>	

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 7 : 1st April 2014 - 31st October 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	36,024	36,366	36,399	33	0.1%
13,989	Employee Costs - Non Teachers	14,822	15,499	15,295	(204)	(1.3%)
13,201	Property Costs	7,214	16,897	16,763	(134)	(0.8%)
3,665	Supplies & Services	3,632	3,610	3,635	25	0.7%
2,686	Transport Costs	2,345	2,368	2,418	50	2.1%
407	Administration Costs	450	460	462	2	0.4%
3,837	Other Expenditure	17,532	8,599	8,579	(20)	(0.2%)
(3,142)	Income	(2,648)	(3,486)	(3,436)	50	(1.4%)
71,403	TOTAL NET EXPENDITURE	79,371	80,313	80,115	(198)	(0.2%)
	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	73,144	72,946	(198)	

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	54,571	54,364	(207)	(0.4%)
7,268	School Estate Management Plan	14,160	14,190	14,190	0	-
59,519	TOTAL EDUCATION SERVICES	67,831	68,761	68,554	(207)	(0.3%)
8,441	ASN	8,048	8,085	8,128	43	0.5%
1,496	Other Inclusive Education	1,498	1,517	1,491	(26)	(1.7%)
9,937	TOTAL INCLUSIVE EDUCATION	9,546	9,602	9,619	17	0.2%
1,590	Community Learning & Development	1,609	1,611	1,596	(15)	(0.9%)
202	Other Safer & Inclusive	248	202	202	0	-
1,792	TOTAL SAFER & INCLUSIVE	1,857	1,813	1,798	(15)	(0.8%)
71,403	TOTAL EDUCATION COMMITTEE	79,371	80,313	80,115	(198)	(0.2%)
	Earmarked Reserves	0	(2,559)	(2,559)	0	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Education &amp; Lifelong Learning

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>c/f Funding 2013/14</u>	<u>New Funding 2014/15</u>	<u>Total Funding 2014/15</u>	<u>Phased Budget To Period 7 2014/15</u>	<u>Actual To Period 7 2014/15</u>	<u>Projected Spend 2014/15</u>	<u>Amount to be Earmarked for 2015/16 &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>	
Creative Scotland Match Funding	Angela Edwards	200	0	200	30	25	100	100	Funding for years 2 and 3 of 3 year funding agreement. First payment of £25k has been made to Beacon.
Port Glasgow I Youth Zone	John Arthur	288	0	288	32	0	43	245	Funding will allow I-Youth Zone centres to be run in Gourrock and Port Glasgow for 2 years. Premises now anticipated to open in January 2015 where as original phasing assumed it would be September 2014. CLD took possession of Port Glasgow building on 14/11/14 to allow adaptations to be carried out. Gourrock building still to be handed over which could result in a delay to opening.
Early Years Change Fund	Angela Edwards	43	43	86	44	43	74	12	Funding for 2 posts until March 2015.
1+2 Languages	Wilma Bain	33	74	107	35	37	107	0	Principal Teacher in post from 01/04/14. Additional funding of £74k for 2014/15 now confirmed by Scottish Government.
<b>Total</b>		<b>564</b>	<b>117</b>	<b>681</b>	<b>141</b>	<b>105</b>	<b>324</b>	<b>357</b>	