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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>5 May 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/28/15/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 11 to 28 February 2015</b>		

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## 1.0 PURPOSE

- 1.1 To advise the Committee of the 2014/15 Revenue Budget position as at Period 11 to 28 February 2015.

## 2.0 SUMMARY

- 2.1 The total Education budget for 2014/15 is £73,239,500. 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 £823,000. This is a reduction in expenditure of £440,000 since last Committee, £400,000 of which relates to an underspend on the implementation of the Children and Young People Act (Scotland) Act 2014 within Early Years Education.
- 2.3 The main reasons for the projected underspend are –
- (a) Projected underspend of £207,000 for Employee Costs. The Teachers budget is projected to overspend by £33,000, mainly due to additional staff required at Craigmarloch School. The Teachers overspend is offset by a projected underspend of £240,000 for non-teacher employees within Early Years Education and Special Schools. A number of nurseries are not running at capacity and vacant non-teacher posts within Craigmarloch School have not been filled. There is no change to this projection since the last Committee.
  - (b) Projected underspend of £164,000 for Utilities. Electricity is projected to underspend by £24,000, Gas is projected to underspend by £159,000, Biomass Fuel projected to underspend by £30,000 and Water is projected to overspend by £49,000.
  - (c) Projected underspend of £33,000 for Janitors.
  - (d) Projected overspend of £10,000 for Education IT charges.
  - (e) Projected underspend of £36,000 for SPT School Buses.
  - (f) Projected overspend of £50,000 for ASN Transport.

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- (g) Projected underspend of £22,000 for ASN Placements.
  - (h) Projected underspend of £18,000 for Hospital Tuition.
  - (i) Projected underspend of £20,000 for Early Years Partner Providers.
  - (j) Projected overspend of £20,000 due to a shortfall in income from Other Local Authorities for placements in Inverclyde Special Schools.
  - (k) Projected underspend of £400,000 relating to the Children and Young People (Scotland) Act 2014 within Early Years Education. An underspend of £30,000 is projected for the Early Years Workforce Development Grant and an underspend of £370,000 is projected for the implementation of six hundred hours free nursery provision. This was highlighted as a potential underspend at the last Committee. A separate report elsewhere on the agenda gives details of how this funding has been utilised within Inverclyde.

2.4 Earmarked Reserves for 2014/15 now total £681,000 following the write-back to General Reserves agreed at the Inverclyde Council budget setting meeting of February 2015. £181,000 of the £681,000 is projected to be spent in 2014/15. To date expenditure of £152,000 (84%) has been incurred. Slippage is currently 47%, mainly due to delays in opening I-Youth Zones in Gourock & Port Glasgow and the non payment of match funding to The Beacon.

### **3.0 RECOMMENDATION**

3.1 That the Committee note the projected underspend of £823,000 for the Education Revenue budget as at Period 11 to 28 February 2015.

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 £823,000 are:

### Employee Costs:

The total budget for employee costs is £51,972,000 and the latest projection is an underspend of £207,000. 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 £240,000 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. There is no change to this projection since last Committee.

### Utilities:

Latest projection for utilities is an underspend of £164,000. Electricity is projected to underspend by £24,000, Gas is projected to underspend by £159,000, Water is projected to overspend by £49,000 and Biomass Fuel for the Port Glasgow Community Campus is projected to underspend by £30,000. The overall utilities projected underspend has increased by £33,000 since the last Committee, mainly due to an increase in the Gas underspend which is related to the mild winter 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 last Committee for Education IT Charges. The latest projection has decreased to an overspend of £10,000 as a result of Education Services withdrawing from the Nightwatchman Service for automatically turning off computers in schools.

### SPT School Buses:

A projected underspend of £36,000 for SPT School Buses was reported to the last Committee due to a reduction in the number of buses required to transport pupils following the consolidation of some routes. 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.

### ASN Placements:

The current budget for ASN Placements is £455,020 and the latest projection is an underspend of £22,000. The projection remains the same as reported to last Committee and it should be noted that the contingency has now been fully utilised.

### Hospital Tuition :

The budget for Hospital Tuition in 2014/15 is £40,000 and the latest projection is an underspend of £18,000. This projection remains the same as reported to last Committee.

### Early Years Partner Providers:

The 2014/15 budget for Partner Providers is £252,920 and the latest projection is an underspend of £20,000. Following the introduction of the Children and Young Peoples (Scotland) Act, the Council has reverted back to term time intakes instead of the month following third birthday. Nursery intakes are now in August, October, January and April and has resulted in fewer children being placed in nurseries. This is also reflected in the underspend being reported under Employee Costs for Council run Nurseries. There is no change to the projection since last Committee.

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

The current budget for Special Schools Income from Other Local Authorities is £263,070 and the latest projection is a shortfall in income of £20,000. There is no change to this projection since last Committee.

### Children And Young People (Scotland) Act 2014:

It should be noted that the one-off underspend relating to the Children and Young People (Scotland) Act 2014 reported to the last Committee has now been fully incorporated in to this report. The latest projection is an underspend of £400,000. Funding of £984,660 was provided to Inverclyde by the Scottish Government for the implementation of six hundred hours free nursery provision from August 2014 and it is projected that £614,660 will be spent this year. Separate funding of £64,000 was provided for Workforce Development within Early Years. Latest projection for this element is an underspend of £30,000. A report elsewhere on this agenda gives details of the implementation and use of the funding for the Children And Young People (Scotland) Act 2014.

## **6.0 EARMARKED RESERVES**

- 6.1 There is a planned contribution to Earmarked Reserves of £500,000 at the end of the current Financial Year as detailed in Appendix 3. Spend to date is 84% of the projected spend for 2014/15. The spend to date per profiling is £289,000 compared to actual year to date spend of £152,000 resulting in slippage to date of £137,000 (47%) The slippage is a result of delays to the opening of the I-Youth zones in Gourock and Port Glasgow and the non payment of matched funding to The Beacon.

## **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 11 : 1st April 2014 - 28th February 2015**

<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>28-Feb-15</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	36,369	33,341	33,321	36,402	33	0.1%
13,989	Employee Costs - Non Teachers	15,601	13,307	12,655	15,361	(240)	(1.5%)
798	Electricity	736	637	552	712	(24)	(3.3%)
31	Biomass	110	88	53	80	(30)	(27.3%)
712	Gas	681	555	403	522	(159)	(23.3%)
248	Water	256	256	322	305	49	19.1%
1,054	Janitors	1,109	1,016	859	1,076	(33)	(3.0%)
220	Education IT Charges	191	175	188	201	10	5.2%
1,440	SPT School Buses	1,228	1,228	1,192	1,192	(36)	(2.9%)
0	Workforce Develop - Early Years	64	59	34	34	(30)	(46.9%)
0	CYP Act 600 Hours - Early Years	985	788	471	615	(370)	(37.6%)
621	ASN Transport	555	509	8	605	50	9.0%
580	ASN Placements	455	427	221	433	(22)	(4.8%)
13	Hospital Tuition	40	37	13	22	(18)	(45.0%)
207	Early Years Partner Providers	253	194	229	233	(20)	(7.9%)
(218)	Special Schools Income OLA	(263)	(249)	(168)	(243)	20	(7.6%)
<b>Total Material Variances</b>						<b>(820)</b>	

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 11 : 1st April 2014 - 28th February 2015**

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	36,369	36,402	33	0.1%
13,989	Employee Costs - Non Teachers	14,822	15,602	15,362	(240)	(1.5%)
13,201	Property Costs	7,214	17,103	16,889	(214)	(1.3%)
3,665	Supplies & Services	3,632	3,731	3,746	15	0.4%
2,686	Transport Costs	2,345	2,582	2,612	30	1.2%
407	Administration Costs	450	477	482	5	1.0%
3,837	Other Expenditure	17,532	8,256	7,784	(472)	(5.7%)
(3,142)	Income	(2,648)	(3,514)	(3,494)	20	(0.6%)
71,403	TOTAL NET EXPENDITURE	79,371	80,606	79,783	(823)	(1.0%)
	Earmarked Reserves	0	(2,757)	(2,757)	0	
	Loan Charges / DMR	0	(4,610)	(4,610)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	79,371	73,239	72,416	(823)	

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	147	10	7.3%
52,251	Education	53,671	54,861	54,032	(829)	(1.5%)
7,268	School Estate Management Plan	14,160	14,190	14,190	0	-
59,519	TOTAL EDUCATION SERVICES	67,831	69,051	68,222	(829)	(1.2%)
8,441	ASN	8,048	8,087	8,125	38	0.5%
1,496	Other Inclusive Education	1,498	1,518	1,491	(27)	(1.8%)
9,937	TOTAL INCLUSIVE EDUCATION	9,546	9,605	9,616	11	0.1%
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	80,606	79,783	(823)	(1.0%)
	Earmarked Reserves	0	(2,757)	(2,757)	0	

## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Education &amp; Lifelong Learning

Project	Lead Officer/ Responsible Manager	Total Funding 2014/15	Phased Budget To Period 11 2014/15	Actual To Period 11 2014/15	Projected Spend 2014/15	Amount to be Earmarked for 2015/16 & Beyond	Lead Officer Update
		£000	£000	£000	£000	£000	
Creative Scotland Match Funding	Angela Edwards	200	90	0	0	200	Funding for years 2 and 3 of 3 year funding agreement. Two payments of £25k made in 2014 previously reported as spend against this EMR are now funded from the GTVO budget per report to Inverclyde Council on 29/01/15. Projection assumes no further payment in 2014/15.
Funding for I Youth Zone Port Glasgow & Gourock	John Arthur	288	76	11	15	273	Funding will allow I-Youth Zone centres to be run in Gourock and Port Glasgow for 2 years. Premises opened in 2015 where as original phasing assumed it would be September 2014. Port Glasgow building is now operational and run by staff from elsewhere in CLD until safe recruitment of new staff has been completed. Dedicated staff expected to be in place April 2015. Gamble Halls maintenance work is now largely completed with only DDA Compliance work remaining. Gourock facility is expected to open later in 2015.
Early Years Change Fund	Angela Edwards	86	68	65	74	12	Original funding was for 2 posts until March 2015. Due to delays in recruiting, staff the start of secondment was delayed by 2 months. Contracts have been extended to May 2015 and will be funded from the £12k c/f.
1+2 Languages	Elsa Hamilton	107	55	76	92	15	Principal Teacher in post from 01/04/14. Additional funding of £74k for 2014/15 now confirmed by Scottish Government. Will be fully spent by year end. YTD spend is ahead of profile budget due to earlier than expected purchase of resources.
<b>Total</b>		<b>681</b>	<b>289</b>	<b>152</b>	<b>181</b>	<b>500</b>	