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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>1 November 2016</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Education, Communities and Organisational Development</b>	<b>Report No:</b>	<b>FIN/103/16/AP/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>Education 2016/17 Revenue Budget- Period 5 to 31 August 2016</b>		

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## 1.0 PURPOSE

- 1.1 To advise the Committee of the 2016/17 Revenue Budget position as at Period 5 to 31 August 2016.

## 2.0 SUMMARY

- 2.1 The total Education budget for 2016/17, excluding planned carry forward for Earmarked Reserves, is £73,766,560. The School Estate Management Plan accounts for £14,631,000 of the total Education budget. The latest projection is an underspend of £197,000, an increase of £66,000 since the last Committee.
- 2.2 The main reasons for the 2016/17 underspend are –
- (a) Projected underspend of £175,000 for Teachers Employee Costs. £26,000 of this relates to a saving due to the secondment of a Quality Improvement Officer (QIO) to the Attainment Challenge. The balance of £149,000 is due to the number of teachers employed in the period April to August 2016 being less than the budgeted entitlement due to a number of vacancies within schools. These vacancies have now been filled from the start of the new academic year.
  - (b) Projected overspend of £37,000 for Water based on pre-paid invoice for 2016/17. The overspend is due to drainage charges at Clydeview Academy and Notre Dame High School. Officers of the Council are currently in negotiations with the operator of these PPP schools regarding a refund of costs against the Unitary Charge and corrective drainage work being carried out.
  - (c) Projected underspend of £76,000 for Contract Cleaning within schools following the early implementation of operational efficiencies by Environmental and Commercial Services.
  - (d) Projected underspend of £25,000 for externally provided ASN Transport. This is after the budget has been reduced by £65,000 following the virement of £25,000 to Internal Transport approved at the last Committee and the early achievement of a £40,000 budget saving.
  - (e) Projected overspend of £20,000 for ASN Support. This relates to expenditure on Audiology Services and the purchase of Assistive Technology products for Craigmarloch School and St Michael's Primary School.

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- 2.3 Earmarked Reserves for 2016/17, excluding those for Asset Plans and Strategic Funds, total £1,400,000 of which £735,000 is projected to be spent in the current financial year. To date expenditure of £244,000 (33.2%) has been incurred. Spend to date per profiling was expected to be £257,000, therefore year to date expenditure is £13,000 or 5.1% behind phased spend.

### **3.0 RECOMMENDATION**

- 3.1 That the Committee note the current projected underspend of £197,000 for the 2016/17 Education Revenue Budget as at Period 5 to 31 August 2016.
- 3.2 That the Committee approve the virement of £95,000 from the Education Revenue Budget to the Communities Revenue Budget as detailed in paragraph 7.1 and appendix 5.

**Alan Puckrin**  
Chief Financial Officer

**Wilma Bain**  
Corporate Director Education,  
Communities & Organisational Development

## 4.0 BACKGROUND

- 4.1 The purpose of this report is to advise the Committee of the current position of the 2016/17 Revenue Budget as at Period 5, 31 August 2016 and highlight the main issues contributing to the projected underspend of £197,000 for 2016/17.

## 5.0 2016/17 PROJECTION

- 5.1 The total Education budget for 2016/17, excluding planned carry forward for Earmarked Reserves, is currently £73,766,560. This is an increase of £278,000 from the approved budget. Appendix 1 gives details of the budget movement responsible for this increase.
- 5.2 The main issues to highlight in relation to the 2016/17 projected underspend of £197,000 are:

### Employee Costs - Teachers

The total budget for Teachers' Employee Costs is £38,164,000 and the latest projection is an underspend of £175,000, an increase in underspend of £149,000 since the Period 3 Committee report. The secondment of a Quality Improvement Officer (QIO) to the Attainment Challenge accounts for £26,000 of the underspend. The balance of the underspend relates to the number of teachers employed in the period April to August 2016 being less than the budget entitlement due to a number of vacancies within schools. These vacancies have subsequently been filled at the start of the new academic year.

### Water

The total budget for Water is £289,000 and the latest projection is an overspend of £37,000, based on the pre-paid invoice received for 2016/17. As previously reported to Committee, the projected overspend is due to drainage charges at Clydeview Academy and Notre Dame High School. In Financial Year 2015/16, a sum of £87,710 was deducted from the Unitary Charge as a result of these charges in previous years. Officers of the Council are currently conducting further negotiations with the operator of the PPP schools regarding a refund of these costs for 2016/17. Physical changes to the drainage systems to stop these charges being due in future are also being progressed.

### Biomass

The Biomass budget for Port Glasgow Community Campus will be £66,750 following approval of the virement requested in paragraph 7.1 and appendix 5. The latest projection is now on budget.

### Contract Cleaning

The total budget for Contract Cleaning is £1,292,000 and the latest projection is an underspend of £76,000. A budget saving of £100,000 for the 2017/18 Contract Cleaning budget was approved by the Policy & Resources Committee on 20 September 2016. Following a review of working practices within schools, the majority of the saving are being implemented.

### Janitors

The 2016/17 budget for Janitors will be £1,127,000 following approval of the virement requested in paragraph 7.1 and appendix 5. The latest projection is now on budget.

### ASN Transport

Following the £25,000 virement approved by the last Committee and the early achievement of a £40,000 budget saving, the ASN Transport budget has been reduced to £508,000. The latest projection is an underspend of £25,000.

## ASN Support

The ASN Support budget for 2016/17 is £58,000 and the latest projection is an overspend of £20,000. This relates to expenditure on Audiology Services and the purchase of Assistive Technology products for Craigmarloch School and St Michael's Primary School. It should be noted that the projected overspend is 26% less expenditure than the out-turn for 2015/16.

## Music Tuition Fees

The 2016/17 budget for Music Tuition Fees will be £31,420 following approval of the virement requested in paragraph 7.1 and appendix 5. The latest projection is now on budget.

Appendices 2 and 3 provide more details on the projected variances.

## **6.0 EARMARKED RESERVES**

6.1 Earmarked Reserves excluding those for Asset Plans and Strategic Funds total £1,400,000, of which £735,000 is projected to be spent in 2016/17. Spend to date at the end of Period 5 is £244,000 or 33.2% of the projected spend for this Financial Year. Spend to date per profiling was expected to be £257,000, therefore the year to date expenditure is £13,000 or 5.1% behind phased spend.

## **7.0 VIREMENTS**

7.1 The Committee is asked to approve the virement of £95,000 from the Education Revenue budget to the Communities Revenue budget. Surplus budgets for Biomass (£35,000), Janitors (£40,000) and Music Tuition (£20,000) will be vired to fund an overspend on Waivers and a shortfall for School Lets Income.

## **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 Chief Financial Officer and the Corporate Director Education, Communities and Organisational Development.

## **10.0 BACKGROUND PAPERS**

10.1 There are no background papers for this report.

**Education Budget Movement - 2016/17****Period 5: 1st April - 31st August 2016**

Service	Approved Budget	Movements			Transferred to	Revised Budget
	2016/17 £000	Inflation £000	Virement £000	Supplementary Budgets £000	EMR £000	2015/16 £000
Corporate Director	141					141
Education	70,690	134	(184)	446	(9,094)	61,992
Inclusive Education	9,940		(48)			9,892
Safer & Inclusive Communities	1,812		(70)			1,742
Totals	<u>82,583</u>	<u>134</u>	<u>(302)</u>	<u>446</u>	<u>(9,094)</u>	<u>73,767</u>

**Movement Detail**

£000

External Resources

1+2 Language Grant  
Probationer Teacher Funding

72  
374  
446

Virements

Street Mates from CLD to Safer Comms - upload correction  
Reduction In Utilities Budgets  
Early Achievement ASN Transport Saving  
Janitors to Communities  
Biomass to Communities  
Music Tuition to Communities

(70)  
(97)  
(40)  
(40)  
(35)  
(20)  
(302)

Inflation

SEMP Inflation

134Savings/Reductions278

EDUCATIONREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 5 : 1st April 2016 - 31st August 2016

<u>Out Turn 2015/16 £000</u>	<u>Budget Heading</u>	<u>Budget 2016/17 £000</u>	<u>Proportion of Budget</u>	<u>Actual to 31-Aug-16 £000</u>	<u>Projection 2016/17 £000</u>	<u>(Under)/Over Budget £000</u>	<u>Percentage Over / (Under)</u>
37,338	Employee Costs - Teachers	38,136	9,523	9,375	37,961	(175)	(0.5%)
306	Water	289	0	0	326	37	12.8%
1,235	Contract Cleaning	1,292	543	4	1,216	(76)	(5.9%)
460	ASN Transport	508	0	0	483	(25)	(4.9%)
105	ASN Support	58	24	32	78	20	34.5%
<b>Total Material Variances</b>						<b>(219)</b>	

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION****PERIOD 5 : 1st April 2016 - 31st August 2016**

2015/16 Actual £000	Subjective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
37,338	Employee Costs - Teachers	37,893	38,164	37,989	(175)	(0.5%)
15,396	Employee Costs - Non Teachers	15,318	15,661	15,668	7	0.0%
14,350	Property Costs	7,659	7,508	7,460	(48)	(0.6%)
3,758	Supplies & Services	4,000	3,989	3,999	10	0.3%
2,532	Transport Costs	2,084	2,069	2,044	(25)	(1.2%)
425	Administration Costs	428	425	425	0	-
4,060	Other Expenditure	17,634	17,921	17,955	34	0.2%
(4,083)	Income	(2,433)	(2,876)	(2,876)	0	-
73,776	TOTAL NET EXPENDITURE	82,583	82,861	82,664	(197)	(0.2%)
	Earmarked Reserves	0	(4,728)	(4,728)	0	
	Loan Charges / DMR	0	(4,366)	(4,366)	0	
	TOTAL NET EXPENDITURE excluding Earmarked Reserves	82,583	73,767	73,570	(197)	

2015/16 Actual £000	Objective Heading	Approved Budget 2016/17 £000	Revised Budget 2016/17 £000	Projected Out-turn 2016/17 £000	Projected Over/(Under) Spend £000	Percentage Over/(Under)
139	Corporate Director	141	141	148	7	5.0%
55,006	Education	56,193	56,455	56,310	(145)	(0.3%)
7,455	School Estate Management Plan	14,497	14,631	14,631	0	-
62,461	TOTAL EDUCATION SERVICES	70,690	71,086	70,941	(145)	(0.2%)
8,106	ASN	8,494	8,464	8,360	(104)	(1.2%)
1,371	Other Inclusive Education	1,446	1,428	1,469	41	2.9%
9,477	TOTAL INCLUSIVE EDUCATION	9,940	9,892	9,829	(63)	(0.6%)
1,518	Community Learning & Development	1,555	1,485	1,488	3	0.2%
181	Other Safer & Inclusive	257	257	258	1	0.4%
1,699	TOTAL SAFER & INCLUSIVE	1,812	1,742	1,746	4	0.2%
73,776	TOTAL EDUCATION COMMITTEE	82,583	82,861	82,664	(197)	(0.2%)
	Earmarked Reserves	0	(4,728)	(4,728)	0	



## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Education &amp; Lifelong Learning

Project	Lead Officer/ Responsible Manager	c/f Funding 2015/16	Total Funding 2016/17	Phased Budget To Period 5 2016/17	Actual To Period 5 2016/17	Projected Spend 2016/17	Amount to be Earmarked for 2017/18 & Beyond	Lead Officer Update
		£000	£000	£000	£000	£000	£000	
Creative Scotland Match Funding	Grant McGovern	100	100	50	50	100	0	Final year of funding for The Beacon Place Partnership. Spend will be completed by end of 2016/17.
Beacon Contract and Core Funding	Grant McGovern	129	529	115	115	345	184	Funding to Beacon for 2016/17 is £75k for Retention and £270k of Revenue Support. Balance of £130k will be used in 2017/18 and £54k held as a contingency.
Funding for I Youth Zone Port Glasgow & Gourrock	John Arthur	190	370	48	49	129	241	Projected expenditure based on £97k staff costs and £32k resources spend. P&R Committee of 20/09/16 allocated additional funding of £180k from Free Reserves to fund 2017/18.
School Clothing Grants	Grant McGovern	75	75	25	25	25	50	£25k now spent for 2016/17 ( Year 2 of 4 year funding.) £50k c/f for remaining 2 years.
Rankin Park Bike Trail - School Use	John Arthur	60	60	0	0	12	48	Phase 1 roll out in Academic Year 16/17 and Phase 2 in 17/18
Primary School Swimming - P6 to P4 Move	John Arthur	60	60	0	0	30	30	£30k allocated for 16/17 and anticipated that invoices for buses and swim teachers will be charged to EMR at year end
PG Community Campus Apprenticeships	Ruth Binks	50	50	0	0	0	50	No expenditure projected for this Financial Year
Developing Young Person's Workforce	Ruth Binks	87	87	4	2	60	27	Includes Allocation of £14k to Econ Development in Oct 16 & £14k in 17/18 - remaining £13k c/f funds last term of Academic Year 16/17 Apr to June
Secondary Schools Credit Union	Ruth Binks		19	0	0	19	0	£9k invoice from Tail O The Bank Credit Union for Staff Costs and Publicity will be paid P6. An invoice for the balance will be received when funds are deposited in S1 pupils accounts.
School Holiday Lunches	Ruth Binks	50	50	15	3	15	35	£15k allocated to 16/17 for Larkfield & PG, £35k c/f for use 17/18
<b>Total</b>		<b>801</b>	<b>1,400</b>	<b>257</b>	<b>244</b>	<b>735</b>	<b>665</b>	

**EDUCATION COMMITTEE****VIREMENT REQUESTS**

Budget Heading	Increase Budget		(Decrease) Budget
	£		£
Biomass	1		35,000
Contract Janitors			40,000
Music Tuition Fees			20,000
Communities Committee - Waivers		58,000	
Communities Committee - School Lets Income		37,000	
		<b>95,000</b>	<b>95,000</b>

## Note

1- Total of £95,000 vired from Education Revenue budget to the Communities Revenue budget to fund overspends on Waivers and shortfall in School Lets Income.