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**Report to Education Sport and Leisure Committee**

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**Date: 22 November 2012**

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**Subject: Education – Revenue Budget 2012/13**

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**Report by: Head of Education**

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**1.0 Purpose**

- 1.1. The purpose of this report is to provide the Education Sport and Leisure Committee with information on Education Service budget for 2012/13 based on actual spend to 30<sup>th</sup> September 2012 and projected spend to 31<sup>st</sup> March 2013.

**2.0 Recommendations**

The Committee is asked to note, comment on and challenge the current financial position.

**3.0 Background**

- 3.1. The second financial performance report to the Education Leisure and Sport Committee focuses on the projected position at the end of the financial year rather than simply reporting actual spend. The report provides more details than the summary report that goes to Resource and Audit Committee.
- 3.2. The report analyses the budget into the service areas that are used consistently across local authorities for reporting purposes.
- 3.3. The Education Service budget is split between the 61% that is devolved to primary and secondary schools under the Council's Scheme of Devolved Management and the remainder that comprises budgets such as additional support needs, early years, psychological services and the service management.
- 3.4. Employee costs account for 92% of the budget with the majority of those being teaching staff. Of the £3 million budget that is not staff costs the biggest single element is transport costs; home to school transport and additional support needs transport costs the service nearly £1 million.

## 4.0 Budget Position

4.1 The undernoted table provides an overview of the Education Service budget and provides a commentary on the material variances. The projected outturns are shown in addition to the actual spend and the budget to date.

	Annual Budget	Actual spend to 30/09/12	Projected spend at 31/03/13	Projected (under)/overspend	Commentary
Service Management	694,520	221,317	610,151	(84,369)	Savings due to posts in shared service structure not being filled
Early Years	2,665,480	1,286,666	2,614,419	(51,061)	Savings due to vacancies at ABC Nursery
Primary Education	11,578,230	5,817,899	11,512,602	(65,628)	Additional funding from Scottish Government for probationers
Secondary Education	12,598,660	5,926,448	12,866,333	267,673	Overspends due to providing maternity cover for teachers and additional transport costs due to inflation
ASN Education	5,106,090	2,460,510	4,997,250	(108,840)	Savings due to restructuring of service being implemented from August
Education Psychology Service	348,890	164,357	348,890	0	
School Crossing Patrols	87,070	43,428	83,380	(3,690)	Vacancies due to difficulties recruiting school crossing patrols
Sport Development	338,570	45,039	326,340	(12,230)	Additional income
Youth Services	475,310	238,820	457,597	(17,713)	Additional income from Clacks Works
<b>Total</b>	<b>33,892,820</b>	<b>16,204,482</b>	<b>33,816,962</b>	<b>(75,858)</b>	

4.2 Overall the service is projecting a small underspend for the year end. This is mainly due to delays in filling posts. School devolved budgets are all projected to be on budget with no school projecting a significant over or underspend.

## 5.0 Progress in Delivering Planning Budget Savings in 2012/13

5.1 The 2012/13 budget incorporated savings, detailed below, of £181,200 for the Education Service. All of these savings have now been achieved.

Nursery Teachers	£38,750
Support and Inclusion	£24,500
Redesign of Youth Services	£7,000
Expressive Arts Timetable	£10,000
School Crossing Patrols	£15,000
ESF Funding	£5,000
Redesign Inclusion Service	£40,950
Review of Classroom Assistants	£40,000
	£181,200

## 6.0 Conclusions

- 6.1 This is the second financial monitoring report under the new Committee reporting arrangements. This report focuses on outturns rather than budget v actual. This should aid effective scrutiny of service budgetary performance.
- 6.2 The budget monitoring approach is being designed to link with other reporting arrangements. The Service Committee financial reports will feed into the corporate financial reporting through the Resources and Audit Committee and Council Budget Strategy updates.

## 7.0 Sustainability Implications

There are no sustainability implications.

## 8.0 Resource Implications

- 8.1 The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.

Yes

- 8.2 Finance have been consulted and have agreed the financial implications as set out in the report.

Yes

- 8.3 There are no staffing implications arising from this report.

## 9.0 Exempt Reports

- 9.1 Is this report exempt? Yes  (please detail the reasons for exemption below) No   
N/A

## 10.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

- (1) **Our Priorities 2008 - 2011** (Please tick )

- The area has a positive image and attracts people and businesses
- Our communities are more cohesive and inclusive
- People are better skilled, trained and ready for learning and employment
- Our communities are safer
- Vulnerable people and families are supported
- Substance misuse and its effects are reduced
- Health is improving and health inequalities are reducing

The environment is protected and enhanced for all   
 The Council is effective, efficient and recognised for excellence

(2) **Council Policies** (Please detail)

Not applicable.

**11.0 Equalities Impact**

11.1 Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?

Yes  No

**12.0 Legality**

12.1 In adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes

**13.0 Appendices**

13.1 Appendix A – Education Services Budget vs Outturn


**14.0 Background Papers**

14.1 None.

**Author(s)**

NAME	DESIGNATION	TEL NO / EXTENSION
Michael Boyle	Education Business Manager	01259 452520
Elizabeth Hutcheon	Accountant	01259 452038

**Approved by**

NAME	DESIGNATION	SIGNATURE
Belinda Greer	Head of Education	
Elaine McPherson	Chief Executive	

**Appendix A****Education Services Budget v's Outturn  
As at September 2012**

	Budget £'000	Outturn £'000	Variance £'000
<b>Education Outturn Variance</b>	<b>33,893</b>	<b>33,817</b>	<b>(76)</b>
<b>Service Management</b>			
Underspend due to a post in the school transport team being held vacant pending a review of the team			(31)
Severance payment			8
Underspend on the shared service budget due to vacancies not being filled			(63)
Other minor adjustments			2
<b>Service Management Total</b>	<b>695</b>	<b>611</b>	<b>(84)</b>
<b>Early Years</b>			
Vacancies at ABC and Kidzone due to reduction in demand, offset by loss of income			(58)
Property maintenance and repairs (Tullibody Project)			6
Other			1
<b>Early Years Total</b>	<b>2,665</b>	<b>2,614</b>	<b>(51)</b>
<b>Primary</b>			
Long term vacancy in the visiting arts specialist teachers team			(33)
Vacancies in the visiting PE teachers team (staffing is adjusted according to the number of classes each year)			(23)
Centrally held miscellaneous budget not used in previous two years			(6)
Teachers severance payment no budget			16
Other non Devolved - Computer Software 6k, clothing payments 3k			9
Additional Scottish Government grant for teachers induction scheme due to additional probationers			(21)
Other minor adjustments			(8)
<b>Primary Total</b>	<b>11,578</b>	<b>11,512</b>	<b>(66)</b>
<b>Secondary</b>			
Increased costs of long term supply due to increased maternity cover			165
Other Teachers non devolved Music Instructors			5
Apt&c -Centrally held (21k) staff moving to SSSS , Excellence for all (7k)			(28)
NEET projected over spend has been reduced by transfer of staffing to vacancies			66

**Education Services Budget v's Outturn  
As at September 2012**

	Budget £'000	Outturn £'000	Variance £'000
Inflation on home to school transport contract following 5 years without any inflationary increases			72
Other non devolved various including Music Instructors and Education Maintenance Allowances			(13)
<b>Secondary Total</b>	<u>12,599</u>	<u>12,866</u>	<u>267</u>
<b>Additional Support Needs</b>			
Learning Assistants surplus budget based on current staff			(82)
Early Years workers underspend			(12)
Teachers overspend			33
ASN Grant budget held corporately			12
Underspend on Escorts budget			(10)
Speech and language services reduction in anticipated demand			(13)
Increased income from other local authorities			(44)
Other non devolved			7
<b>Additional Support Needs Total</b>	<u>5,106</u>	<u>4,997</u>	<u>(109)</u>
<b>School Crossing Patrol</b>			
Other minor adjustments			(4)
<b>School Crossing Patrol Total</b>	<u>87</u>	<u>83</u>	<u>(4)</u>
<b>Sports Development</b>			
Rugby development additional income (4k) and staffing under spend			(4)
Active Communities - Staffing projected under spend			(7)
Other minor adjustments			(2)
<b>Sports Development Total</b>	<u>339</u>	<u>326</u>	<u>(13)</u>
<b>Youth Services</b>			
Employee costs under spend due to staff secondment. Sessional budget projected to under spend. Also one member of staff on maternity pay.			(20)
Other Income - very low income projected compared to previous year			9
Other council accounts income from Clacks Works more than budget			(12)
Other			4
<b>Youth Services Total</b>	<u>475</u>	<u>458</u>	<u>(17)</u>

**Education Services Budget v's Outturn**

As at September 2012

	<b>Budget £'000</b>	<b>Outturn £'000</b>	<b>Variance £'000</b>
<b>Education Services Total</b>	<u>33,544</u>	<u>33,468</u>	<u>(76)</u>

