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<b>Report To:</b>	<b>Education &amp; Communities Committee</b>	<b>Date:</b>	<b>18 March 2025</b>
<b>Report By:</b>	<b>Chief Financial Officer and Corporate Director Education, Communities &amp; Organisational Development</b>	<b>Report No:</b>	<b>FIN/17/25/AP/IC</b>
<b>Contact Officer:</b>	<b>Iain Cameron</b>	<b>Contact No:</b>	<b>01475 712832</b>
<b>Subject:</b>	<b>2024/25 Education Revenue Budget Update</b>		

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## 1.0 PURPOSE AND SUMMARY

- 1.1 ☐ For Decision ☒ For Information/Noting
- 1.2 The purpose of this report is to advise Committee of the projected position of the 2024/25 Education Revenue Budget.
- 1.3 The total Education Revenue Budget for 2024/25, excluding Earmarked Reserves, is currently £115.3m. The latest projection is an underspend of £16,000 (0.01%). This is a decrease in expenditure of £51,000 since last Committee. The major projected variances are as follows:
- (a) An underspend in Employee Costs of £420,000, mainly within Teachers. This is £40,000 less expenditure than was reported at Period 7.
  - (b) An overspend of £240,000 for Early Years Partner Providers, which has been fully addressed as part of the 2025/26 Budget.
  - (c) An overspend in Catering provisions of £224,000, partially offset by an over recovery in School Meals Income of £88,000, part of which is one-off in nature.
  - (d) An overspend in Transport Costs of £195,000, a decrease in expenditure of £36,000 since last Committee.
  - (e) An over recovery in Income from Other Local Authorities for ASN Placements of £100,000.

## 2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee notes that the Education part of the Committee's Revenue Budget is currently projected to underspend in 2024/25 by £16,000.

**Alan Puckrin**  
Chief Financial Officer

**Ruth Binks**  
Corporate Director  
Education, Communities & ODHR

### 3.0 BACKGROUND AND CONTEXT

- 3.1 The purpose of this report is to advise Committee of the current position of the 2024/25 Education Revenue Budget and to highlight the main variances contributing to the £16,000 projected underspend.
- 3.2 The current Education Revenue Budget for 2024/25 is £115.3m, which is an increase of £4.599m from the Approved Budget, largely due to additional funding for Probationary Teachers, the Teachers' superannuation rate increase and pay inflation. The actual amount of grant funding the Council will receive for Superannuation has yet to be confirmed and estimates have been used. Appendix 1 provides more details of the budget movement.
- 3.3 **2024/25 Projected Outturn (£16,000 underspend 0.01%)**

The main projected variances contributing to the £16,000 underspend are explained in more detail below.

- (a) Employee costs are projected to underspend by £420,000. This is mainly due to:
- i. An underspend of £415,000 for Teachers, mainly due to a number of vacant posts from August 2024. These are unallocated teachers and were kept vacant pending the budget process. This is an increase in spend of £82,000 from Period 7 due to increased supply costs.
  - ii. An overspend of £62,000 for Non Teacher staff within Primary and Secondary schools, due to not making the Turnover Savings target.
  - iii. An overspend of £32,000 for Active Schools Employees, offset by additional income, noted below.
  - iv. An overspend of £302,000 for ASN Non Teacher employees due to not achieving the turnover savings target.
  - v. An underspend in Early Years employees of £205,000, mainly due to a number of posts which will not be filled this financial year as a result of the mix between local authority and private provider provision. This is a reduction in spend of £68,000 since last Committee due to additional turnover savings.
  - vi. A net underspend of £122,000 for Facilities Management employees, made up of Cleaning £41,000 overspend, Janitors £27,000 overspend and Catering £190,000 underspend.
  - vii. An underspend of £133,000 within CLD due to the over achievement of Turnover Savings target. This position will not repeat in future years as a number of posts have been deleted as part of the CLD review.
  - viii. An overspend of £49,000 for Education HQ employees due to not making the Turnover target.
- (b) A projected underspend in Water Charges across the Committee totalling £43,000.
- (c) A projected underspend in the PPP Unitary Charge payment of £40,000 mainly due to a one-off insurance rebate. This is an increase in projected spend of £25,000 since last Committee due to additional charges from the operator for pension costs and energy.
- (d) A projected overspend of £61,000 for Education Cleaning contract and £26,000 for Janitors, mainly due to increased employee costs within Facilities Management.
- (e) A projected overspend of £35,000 for Education Catering contract due to a net increase in Catering costs within Facilities Management.
- (f) A projected overspend in Catering Provisions spend of £224,000. It is intended to address this cost pressure in 2025/26 with increased Universal Free School Meals P6/P7 funding from the Scottish Government.
- (g) Overspends in Transportation costs of £195,000 due to overspends of £20,000 for Pupil Vocational Travel, £32,000 for Pupil Consortium Travel, £64,000 for Gaelic Transport,

£26,000 for School Buses, £12,000 for PE and £41,000 for Internal Transport. Overall, there has been a reduction of £36,000 since last Committee, mainly due to a decrease in Pupil Vocational Transport spend of £30,000.

- (h) A projected overspend on ASN Resources of £30,000, as reported to the last Committee. The Corporate Director is continuing to review the main factors contributing to this overspend with the intention of reducing spend in future years.
- (i) An overspend in Early Years Partner Provider payments of £240,000. This is due to a higher than budgeted number of placements in private nurseries. There is an underspend of £205,000 in Early Years employee costs in 2024/25, which partially offsets this. It was agreed at last Committee that this overspend would be addressed for 2025/26 by the deletion of vacant posts, a delay to the start date until the term after a child's 2<sup>nd</sup> or 3<sup>rd</sup> birthday and an allocation from the Corporate Pressures budget.
- (j) A projected underspend of £31,000 for School Clothing Grants due to uptake being lower than the budgeted amount.
- (k) A projected underspend of £22,000 within CLD for Community Food Membership subscriptions. This underspend is partly due to invoices only covering part of the year as there were prepayments. This budget was allocated from the Anti Poverty fund and officers will make future recommendations as to how any excess funding is utilised or returned to Anti Poverty.
- (l) A projected over recovery of ASN Income from Other Local Authorities of £100,000, as reported to last Committee. This over recovery partially offsets the projected overspend in ASN Employee Costs and Resources.
- (m) School Meals Income budget was increased by £50,000 as a result of virement approved at last Committee. The latest projection is an over recovery of £88,000, which is a further increase in income of £14,000, after allowing for this virement. The projection includes a £74,000 one-off Scottish Government grant to fund the write-off of historic bad debts within Primary.
- (n) A projected shortfall of £20,000 for Breakfast Club Income.
- (o) A projected net over recovery of £122,000 in Facilities Management Income, Cleaning £61,000, Catering £35,000 and Janitors £26,000, which offsets increased spend above.
- (p) Additional funding for Active Schools of £25,000 which offsets an overspend in employee costs.

### **3.4 Earmarked Reserves**

Appendix 4 gives an update on the operational Earmarked Reserves, ie excluding strategic funding models. Spend to date on these operational Earmarked Reserves is 97.7% of phased spend and 74.3% of the projected expenditure for 2024/25.

### **3.5 Virements**

There are no virements this Committee cycle.

## **4.0 PROPOSALS**

- 4.1 It is proposed that Committee note the current projected underspend for 2024/25 of £16,000.

## 5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk		X
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

## 5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

## 5.3 Legal/Risk

There are no specific legal implications arising from this report.

## 5.4 Human Resources

There are no specific human resources implications arising from this report.

## 5.5 Strategic

There are no specific strategic implications arising from this report.

## 6.0 CONSULTATION

- 6.1 The paper has been jointly prepared by the Chief Financial Officer and the Corporate Director Education, Communities, and Organisational Development.

## 7.0 BACKGROUND PAPERS

- 7.1 There are no background papers for this report.

**Education Budget Movement - 2024/25**

	Approved Budget	Movements				Revised Budget
	2024/25 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2024/25 £000
Service						
Corporate Director	155	6				161
Education	92,311	2,277	(14)	1,640	(300)	95,914
Inclusive Education	18,146	538	(14)	134		18,804
Facilities Management	112	332				444
Totals	110,724	3,153	(28)	1,774	(300)	115,323

**Movement Detail**

£000

External Resources

Probationer Teacher Funding  
Teachers Superannuation

594  
1,180

1,774

Virements

Procurement Officer Funding  
School Libraries to Communities

(18)  
(10)

(28)

Inflation

Partner Providers  
Catering Provisions  
Teachers Pay Award  
Non Teachers Pay Award

20  
100  
1,596  
1,437

3,153

4,899

**EDUCATION****REVENUE BUDGET MONITORING REPORT****CURRENT POSITION**

2023/24 Actual £000	Subjective Heading	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/ (Under)
56,007	Employee Costs - Teachers	53,661	60,072	59,657	(415)	(0.69%)
33,928	Employee Costs - Non Teachers	29,032	32,269	32,264	(5)	(0.02%)
22,479	Property Costs	23,167	23,365	23,373	8	0.03%
7,539	Supplies & Services	6,861	7,564	7,847	283	3.74%
2,933	Transport Costs	2,337	2,365	2,560	195	8.25%
752	Administration Costs	672	670	658	(12)	(1.79%)
7,044	Other Expenditure	5,078	5,932	6,166	234	3.94%
(24,289)	Income	(10,084)	(16,614)	(16,918)	(304)	1.83%
<b>106,393</b>	<b>TOTAL NET EXPENDITURE</b>	<b>110,724</b>	<b>115,623</b>	<b>115,607</b>	<b>(16)</b>	<b>(0.01%)</b>
0	Earmarked Reserves	0	0	0	0	
0	DMR	0	(300)	(300)	0	
<b>106,393</b>	<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED</b>	<b>110,724</b>	<b>115,323</b>	<b>115,307</b>	<b>(16)</b>	<b>(0.01%)</b>

2023/24 Actual £000	Objective Heading	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Over/ (Under)
<b>186</b>	<b>Corporate Director</b>	<b>155</b>	<b>161</b>	<b>167</b>	<b>6</b>	<b>3.73%</b>
75,073	Education	80,080	84,186	83,697	(489)	(0.58%)
127	Facilities Management	112	117	141	24	20.51%
11,846	School Estate Management Plan	12,231	12,231	12,192	(39)	(0.32%)
<b>87,046</b>	<b>TOTAL EDUCATION SERVICES</b>	<b>92,423</b>	<b>96,534</b>	<b>96,030</b>	<b>(504)</b>	<b>(0.52%)</b>
14,274	ASN	13,311	13,968	14,560	592	4.24%
2,503	Community Learning & Development	2,742	2,809	2,654	(155)	(5.52%)
2,384	Other Inclusive Education	2,093	2,151	2,196	45	2.09%
<b>19,161</b>	<b>TOTAL INCLUSIVE EDUCATION</b>	<b>18,146</b>	<b>18,928</b>	<b>19,410</b>	<b>482</b>	<b>2.55%</b>
<b>106,393</b>	<b>TOTAL EDUCATION COMMITTEE</b>	<b>110,724</b>	<b>115,623</b>	<b>115,607</b>	<b>(16)</b>	<b>(0.01%)</b>
0	Earmarked Reserves	0	0	0	0	
0	DMR	0	(300)	(300)	0	
<b>106,393</b>	<b>TOTAL EDUCATION COMMITTEE EXCLUDING EARMARKED RESERVES</b>	<b>110,724</b>	<b>115,323</b>	<b>115,307</b>	<b>(16)</b>	<b>(0.01%)</b>

## REVENUE BUDGET MONITORING REPORT

[illegible]

**EARMARKED RESERVES POSITION STATEMENT****COMMITTEE: EDUCATION**

<u>Project</u>	<u>Lead Officer/ Responsible Manager</u>	<u>Total Funding 2024/25</u>  <u>£000</u>	<u>Phased Budget 31-Dec-24 2024/25</u>  <u>£000</u>	<u>Actual 31-Dec-24 2024/25</u>  <u>£000</u>	<u>Projected Spend 2024/25</u>  <u>£000</u>	<u>Amount to be Earmarked for 2025/26 &amp; Beyond</u>  <u>£000</u>	<u>Lead Officer Update</u>
Beacon Arts	Tony McEwan	60	0	0	0	60	Contingency not allocated at this time
New to Scotland Funding	Michael Roach	300	133	130	175	125	Funding additional EAL Teachers up to 31/03/25. £59k of new funding is ASN Support Income c/f from 23/24 and £66k is new funding for 24/25 received from HSCP. EAL teachers will be funded to end of June 25 with approximately £60k not allocated as yet.
<b>Total</b>		<b>360</b>	<b>133</b>	<b>130</b>	<b>175</b>	<b>185</b>	