
Report To:	Education & Communities Committee	Date:	20 May 2025
Report By:	Interim Chief Financial Officer and Corporate Director Education, Communities & Organisational Development	Report No:	FIN/30/25/AE/IC
Contact Officer:	Iain Cameron	Contact No:	01475 712832
Subject:	2024/25 Education Revenue Budget Update		

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 overspend of £120,000 (0.1%). This is an increase in expenditure of £136,000 since last Committee. The major projected variances are as follows:

- (a) An underspend in Employee Costs of £214,000, mainly within Teachers. This is £206,000 more expenditure than was reported at last Committee.
- (b) An overspend of £299,000 for Early Years Partner Providers, an increase of £59,000 since the last Committee.
- (c) An overspend in Catering provisions of £269,000, an increase of £45,000 since last Committee, partially offset by an over recovery in School Meals Income of £138,000, an increase of £50,000 since last Committee. Part of this over recovery is one-off in nature.
- (d) An overspend in Transport Costs of £219,000, an increase in expenditure of £24,000 since last Committee.
- (e) An underspend of £90,000 for Free School Meals payments during school holidays due to uptake being lower than budgeted.
- (f) An over recovery in Income from Other Local Authorities for ASN Placements of £100,000.
- (g) A projected underspend on the PPP Unitary Charge payment of £144,000 mainly due to insurance rebates. This is a further reduction in spend of £104,000 since last Committee.

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 overspend in 2024/25 by £120,000 which is partially offset by an underspend of £51,000 for the Communities part of the Committee.

Angela Edmiston
Interim Chief Financial Officer

Ruth Binks
Corporate Director
Education, Communities & Organisational Development

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 £120,000 projected overspend.
- 3.2 The current Education Revenue Budget for 2024/25 is £115.3m, which is an increase of £4.597m from the Approved Budget, largely due to additional funding for Probationary Teachers, the Teachers' superannuation rate increase and pay inflation. Appendix 1 provides more details of the budget movement.
- 3.3 **2024/25 Projected Outturn (£120,000 overspend 0.1%)**

The main projected variances contributing to the £120,000 overspend are explained in more detail below.

- (a) Employee costs are projected to underspend by £214,000. This is mainly due to:
- i. An underspend of £192,000 for Teachers. The underspend is mostly due to a number of vacant posts from August 2024. These are unallocated teachers and were kept vacant pending the budget process. Teacher expenditure has increased by £221,000 since last report due to increased supply costs.
 - ii. An overspend of £43,000 for Non Teacher staff within Primary and Secondary schools, due to not making the Turnover Savings target.
 - iii. An overspend of £27,000 for Active Schools Employees due to non-achievement of turnover savings target, offset by additional income, noted below.
 - iv. An overspend of £299,000 for ASN Non Teacher employees due to not achieving the turnover savings target.
 - v. An underspend in Early Years employees of £227,000, 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 £22,000 since last Committee due to additional turnover savings.
 - vi. A net underspend of £86,000 for Facilities Management employees, made up of Cleaning £51,000 overspend, Janitors £67,000 overspend and Catering £204,000 underspend.
 - vii. An underspend of £142,000 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 £43,000 for Education HQ employees due to not making the Turnover target.
- (b) A projected underspend in Water Charges across the Committee totalling £51,000.
- (c) A projected underspend in the PPP Unitary Charge payment of £144,000 which is a reduction in expenditure of £104,000 since last Committee and relates to additional insurance rebates.
- (d) A projected overspend of £110,000 for Education Cleaning contract and £64,000 for Janitors, mainly due to increased employee costs within Facilities Management.
- (e) A projected overspend of £97,000 for Education Catering contract due to a net increase in Catering costs within Facilities Management. An underspend in employee costs is more than offset by overspends, mainly in Provisions.
- (f) A projected overspend in Catering Provisions of £269,000. This pressure is partially addressed for 2025/26 by additional funding for P6/7 Universal Free School Meals from the Scottish Government.

- (g) A projected overspend of £58,000 for external contract cleaners used within Facilities Management for short term sickness cover. This is £40,000 more spend than was previously reported.
- (h) Overspends in Transportation costs of £219,000, mainly 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 and £55,000 for Internal Transport. Overall, there has been an increase of £24,000 since last Committee mainly due to an increase in Internal Transport spend.
- (i) 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.
- (j) A projected underspend of £90,000 for Free School Meals holiday payments due to the uptake being lower than budgeted for.
- (k) An overspend in Early Years Partner Provider payments of £299,000. This is an increase of £59,000 since last Committee and is due to a higher than budgeted number of placements in private nurseries. There is an underspend of £249,000 in Early Years employee costs in 2024/25, which partially offsets this. Committee has already agreed a number of actions to address this for 2025/26.
- (l) A projected underspend of £25,000 for School Clothing Grants due to uptake being lower than the budgeted amount.
- (m) 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.
- (n) A projected over recovery of £138,000 for School Meal Income due to uptake of meals being higher than budgeted. The projection includes a £74,000 one-off Scottish Government grant to fund the write-off of historic bad debts within Primary.
- (o) A projected net over recovery of £251,000 in Facilities Management Income, Cleaning £110,000, Catering £77,000 and Janitors £64,000, which predominantly offsets increased spend above.
- (p) Additional funding for Active Schools of £25,000 which offsets an overspend in employee costs.
- (q) A projected over recovery of £23,000 for Early Year's Wraparound Income.

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 100% of phased spend and 91.5% 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 overspend for 2024/25 of £120,000 and note that this is partially offset by an underspend of £51,000 for the Communities part of the Committee.

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 Interim 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	Inflation	Virement	Supplementary Budgets	Transferred to EMR	2024/25
Service	£000	£000	£000	£000	£000	£000
Corporate Director	155	6				161
Education	92,311	2,277	187	2,053	(715)	96,113
Inclusive Education	18,146	538	113	134		18,931
Facilities Management	112	332	(328)			116
Totals	110,724	3,153	(28)	2,187	(715)	115,321

Movement Detail

£000

External Resources

Probationer Teacher Funding
Teachers Superannuation

1,009
1,178

2,187

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

5,312

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	60,212	60,020	(192)	(0.32%)
33,928	Employee Costs - Non Teachers	29,033	32,222	32,200	(22)	(0.07%)
22,479	Property Costs	23,167	23,373	23,368	(5)	(0.02%)
7,539	Supplies & Services	6,895	7,538	7,967	429	5.69%
2,933	Transport Costs	2,337	2,365	2,584	219	9.26%
752	Administration Costs	672	668	647	(21)	(3.15%)
7,044	Other Expenditure	5,043	5,818	6,038	220	3.78%
(24,289)	Income	(10,084)	(16,160)	(16,668)	(508)	3.14%
106,393	TOTAL NET EXPENDITURE	110,724	116,036	116,156	120	0.10%
0	Earmarked Reserves	0	(415)	(415)	0	
0	DMR	0	(300)	(300)	0	
106,393	TOTAL NET EXPENDITURE EXCLUDING EARMARKED	110,724	115,321	115,441	120	0.10%

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)
186	Corporate Director	155	161	169	8	4.98%
75,073	Education	80,080	84,597	84,398	(199)	(0.24%)
127	Facilities Management	112	116	155	39	33.48%
11,846	School Estate Management Plan	12,231	12,231	12,088	(143)	(1.17%)
87,046	TOTAL EDUCATION SERVICES	92,423	96,944	96,641	(303)	(0.31%)
14,274	ASN	13,311	13,971	14,612	641	4.59%
2,503	Community Learning & Development	2,742	2,809	2,558	(251)	(8.94%)
2,384	Other Inclusive Education	2,093	2,151	2,176	25	1.16%
19,161	TOTAL INCLUSIVE EDUCATION	18,146	18,931	19,346	415	2.19%
106,393	TOTAL EDUCATION COMMITTEE	110,724	116,036	116,156	120	0.10%
0	Earmarked Reserves	0	(415)	(415)	0	
0	DMR	0	(300)	(300)	0	
106,393	TOTAL EDUCATION COMMITTEE EXCLUDING EARMARKED RESERVES	110,724	115,321	115,441	120	0.10%

REVENUE BUDGET MONITORING REPORT

[illegible]

EARMARKED RESERVES POSITION STATEMENT
COMMITTEE: EDUCATION

Project	Lead Officer/ Responsible Manager	c/f Funding 2023/24 £000	New Funding 2024/25 £000	Write Back to Gen Reserves	Total Funding 2024/25 £000	Phased Budget 28-Feb-25 2024/25 £000	Actual 28-Feb-25 2024/25 £000	Projected Spend 2024/25 £000	Amount to be Earmarked for 2025/26 & Beyond £000	Lead Officer Update
Beacon Arts	Tony McEwan	60			60	0	0	0	60	Contingency not allocated at this time
New to Scotland Funding	Michael Roach	175	203		378	161	161	176	202	Funding EAL Teachers up to June 2025. New funding of £203k received from HSCP in 2024/25 with approximately £148k uncommitted at this time.
Probationer Teacher Smoothing Reserve	Michael Roach	0	415		415	0	0	0	415	As part of the 2025/26 budget process £200k added to Probationer Teachers' income target, based on surplus income in the previous four years. This reserve has been created from 2024/25 excess funding to smooth out future years' grant levels, if required.
Total		235	618	0	853	161	161	176	677	