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**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES  
COMMITTEE ON 19 APRIL 2023**

**SUBJECT: EDUCATION REVENUE BUDGET MONITORING TO 31  
DECEMBER 2022**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND  
ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the budget position for Education as at 31 December 2022.
- 1.2 This report is submitted to Committee in terms of Section III (A) (2) of the Council's Scheme of Administration relating to the consideration of capital and revenue budgets and long term financial plans.

**2. RECOMMENDATION**

- 2.1 **It is recommended that Committee considers and notes the budget position at 31 December 2022.**

**3. BACKGROUND**

- 3.1 The report highlights those areas of the budget where there is a significant percentage variance identified at 31 December 2022.

**4. BUDGET POSITION**

- 4.1 The spend at 31 December 2022 is £51,928,000 against a budget to date of £53,104,000, giving an underspend of £1,176,000 as shown in **Appendix 1**.
- 4.2 Early Learning and Childcare has an ongoing overspend of £413,000, which is being addressed as part of the review of ELC savings options which is currently being progressed with a view to reducing this budget pressure in 2023/24. There are underspends on snack and fundraising accounts £47,000, central maternity and sickness £27,000 and speech and language therapy contract £22,000. The core Speech and Language Therapy contract is currently suspended due to resourcing issues within the NHS Grampian Speech and Language team, allowing for a review of the contract scope and specification in advance of the new financial year. The snack and fundraising accounts cover the academic year and will be carried forward as part of earmarked reserves.

- 4.3 Devolved school budgets are underspent by £1,098,000 at the end of the third quarter, £298,000 in primary schools and £800,000 in secondary schools. This position at financial year end is normal with school budgets being spent over the academic year. Some of the underspends are due to delays in filling vacancies and will be carried forward at the end of the year. The underspend is reduced by overspends on oncosts.
- 4.4 Education Central Services has an underspend on the Pupil Equity Fund of £439,000, this funding is ring-fenced and underspends will be carried forward as part of ear marked reserves. Work is ongoing with a Quality Improvement Manager and the Education Scotland Attainment Advisor around this with officers confident that with robust planning and monitoring this will be accounted for next session. In addition variances exist where the budget position is at financial year end with spend occurring across the academic year.

### **ESTIMATED OUTTURN**

- 5.1 The estimated outturn for 2022/23 is £75,869,000 against a budget of £75,653,000 resulting in an estimated overspend for the year of £216,000.
- 5.2 There was a reduction in the Early Learning and Childcare specific grant of £1,093,000 in 2022/23. Savings have been made in the service to cover part of the reduction in funding leaving an estimated overspend of £400,000. It is anticipated to make savings in 2023/24 which will reduce the current budget pressure. This is part of the Early Learning and Childcare external consultant report being reported to this committee.
- 5.3 Primary school oncosts are expected to be £20,000 over budget. Budgets for schools are based on an average percentage and are reviewed each year, the overspend relates to an increase in staff joining the pension scheme.
- 5.4 There is an anticipated underspend on period poverty of £24,000 and school clothing grants £15,000. A position is currently being advertised to support the development and delivery of period poverty in the authority, which is directly funded by the Scottish government through specific period poverty funds.
- 5.5 Staff savings from vacancies and appointment below top of scale are anticipated to exceed budget by £139,000.

### **6. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Education Revenue Budget has particular reference to National Outcome 8 – we have improved the life chances for children, young people and families at risk.

**(b) Policy and Legal**

The Council has statutory responsibilities to meet educational needs, the needs of children and young people in need and those it looks after.

**(c) Financial implications**

The resource implications are set out in this report and at **Appendix 1**. The underspend as at 31 December 2022 is £1,176,000 against a budget to date of £53,104,000. The estimated year end position is expenditure of £75,869,000 against a budget of £75,653,000 resulting in an overspend of £216,000.

**(d) Risk implications**

Budget Managers are aware of their responsibilities for managing budget allocations and approval for any variances will be sought from Committee in line with the Financial Regulations.

**(e) Staffing implications**

There are no staffing implications associated with this report.

**(f) Property**

There are no property implications associated with this report.

**(g) Equalities/Socio Economic Impact**

An Equality Impact Assessment is not needed because the report is to inform the Committee on budget monitoring.

**(h) Climate Change and Biodiversity Impacts**

No climate change and biodiversity impacts arise directly from this report.

**(i) Consultations**

Lorraine Paisey, Chief Financial Officer and Tracey Sutherland, Committee Services Officer, have been consulted and are in agreement with the contents of this report where it relates to their areas of responsibility.

**6. CONCLUSION**

**6.1 That Committee considers and notes the budget position as at 31 December 2022.**

Author of Report: Vivienne Cross, Head of Education  
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Background Papers: with authors

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