

School plans for delivering 1.5% efficiency target on DSM budgets in 2008/09

Consultative Committee with Parents

4 November 2008

1 Introduction

The purpose of this report is to advise the Consultative Committee with Parents the plans in place within schools to deliver the 1.5% savings that was approved per Act of Council 2008.

2 Summary

- 2.1 As part of the 2008/09 budgeting setting process the Council agreed a £4m savings target on school budgets. The department agreed to deliver this through a combination of falling school rolls (£1.0m) and a top-slice from school devolved budgets (£3.0m).

3 Main Report

- 3.1 The Council's revenue budget requires all departments to identify 2% savings, year on year. As part of the 2008-09 budget setting process, the Council agreed a £4m savings target on school budgets, in fulfillment of the element of the saving target attributable to budgeted school expenditure. The department planned delivery of this saving through a combination of falling school rolls (£1.0m) and a top-slice from school devolved budgets (£3.0m). Subsequently, further reductions in school rolls enabled the reduction to schools to be reduced to a target of 1.5%. It should be noted that £0.8m of the saving was re-cycled back to school budgets, to meet increased energy costs. Budgeted expenditure on schools was also increased by £0.75m to meet funding commitments for the Council's PPP2 contract.
- 3.2 These efficiency savings are required at a time when, in accordance with the Concordat with the Scottish Government, local authorities are empowered to deliver local outcomes based on local priorities. By devolving responsibility for these savings to head teachers the Council is following the current guidance on devolved School Management which sees head teachers as "the key decision makers on issues such as staffing and budgetary management".

- 3.3 The Head of Resources wrote to head teachers on 1st September requesting that each school submit a return outlining their plan for delivering the 1.5% saving target. Table 1 below provides a summary of submissions received, by school category.
- 3.4 Employee cost savings are contributing to £1.477m of the savings target. Employee cost savings are being achieved through non-appointment to vacant posts, with internal cover arrangements being implemented.
- 3.5 Savings of £0.155m in premises costs are being achieved mainly through delays in undertaking planned maintenance work.
- 3.6 Savings of £26,000 have been implemented in transport expenditure through reductions in travel to support outdoor education and physical education programmes.
- 3.7 Savings of £0.41m in supplies and services budgets have been achieved through reductions in equipment costs, professional development, stationery and reductions in educational supplies budgets.
- 3.8 Increased income of £24,000 has been achieved in a limited number of schools through school lets.
- 3.9 Other savings of £0.377m have been achieved through a number of ways, of which the main source is utilisation of carry forward from 2007/08.

Table 1

Savings Source	Primary Schools £000	Secondary Schools £000	Special Schools £000	Total £000
Employee Costs	765	610	102	1,477
Premises	46	105	4	155
Transport Costs	2	23	1	26
Supplies and Services	188	216	6	410
Income	1	23	0	24
Other	141	219	17	377
Total Savings Identified	1,143	1,196	130	2,469

4 Financial Implications

The savings applied to school budgets for 2008-09 represent a reduction of 1.5% on school expenditure, prior to the application of additional funding to meet increased energy costs. It should be noted that no further saving was applied to school budgets. All funding previously made available to schools through former ring-fenced grants (e.g., National Priorities Action Fund) continues to be allocated to schools in its entirety.

5 Environmental Impact

There are no adverse environmental impacts arising from this report.

6 Conclusion

- 6.1 Schools have submitted a return indicating their intentions for managing the 1.5% saving target in 2008/09.

7 Recommendations

It is recommended that the Consultative Committee with Parents notes the plans received by schools for delivering the 1.5% efficiency target.

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Appendices	None
Contact/tel/e-mail	David Robertson, Resources: 469 3149 d.robertson@edinburgh.gov.uk Jane Brown, Principal Finance Manager: 469 3196 Jane.brown@edinburgh.gov.uk
Single Outcome Agreement	<i>Supports National Outcome 3</i> We are better educated, more skilled and more successful, renowned for our research and innovation' <i>Supports National Outcome 4</i> 'Our young people are successful learners, confident individuals, effective contributors and responsible citizens' <i>Supports National Outcome 5</i> 'Our children have the best start in life and are ready to succeed' <i>Supports National Outcome 7</i> 'We have tackled the significant inequalities in Scottish Society' <i>Supports National Outcome 8</i> 'We have improved the life chances for children, young people and families at risk' <i>Supports National Outcome 15</i> 'Our public services are high quality, continually improving, efficient and responsive to local people's needs'
Wards affected	All
Background Papers	None

