

ANGUS COUNCIL

**EDUCATION COMMITTEE – 19 FEBRUARY 2004
RESOURCES AND CENTRAL SERVICES COMMITTEE – 11 MARCH 2004**

**EDUCATION REVENUE BUDGET MONITORING
FOR THE PERIOD TO 31 DECEMBER 2003**

JOINT REPORT BY THE DIRECTOR OF EDUCATION AND DIRECTOR OF FINANCE

ABSTRACT

The purpose of this report is to advise members of the actual net revenue expenditure incurred in comparison to budget in respect of the Education Department for the period to 31 December 2003 and provide comment on the more significant variances arising.

1 RECOMMENDATION

It is recommended that the Education Committee note the contents of this report.

2 INTRODUCTION

This report advises members of the revenue budget projected out-turn for the Education Department, based on the expenditure and income at the end of December 2003.

3 PROJECTED REVENUE BUDGET OUTTURN

Based on the actual income and expenditure to the end of December 2003, the Education Department has a projected underspend of £105k. This figure assumes that current expenditure and income patterns are maintained throughout the rest of the financial year. This represents a variance of 0.15%.

The Education Department net revenue budget as stated in the Final Revenue and Capital Budget Volume 2003/2004 is £69,520k. After allowing for budget uplifts for additional resources made available to the Council, the Departmental underspend carried forward from 2002/2003 and additional budget uplift in relation to increased superannuation costs, a revised budget for management accounts purposes of £70,820k has been determined.

The Education Department budget is divided into a number of sectors. The position within each of these sectors is outlined below. Some of the variances are due to expenditure not matching the budget provision, and the Director of Education will use the virement powers available to him to address these anomalies.

Sector	Budget 2003/2004 £'000	Projection 2003/2004 £'000	Variance £'000	Commentary
Nursery	3,180	3,140	40	Lower than anticipated supply nursery nurse costs have resulted in this projected underspend.
Primary	25,288	25,155	133	This underspend represents 0.53% of the total budget, which given the size and complexity is reasonable. In the main the underspend is due to the timing of introducing particular aspects of 'Teaching in the 21 st Century' compared to the availability of funding and lower than anticipated supply cover. However supply projections are based on the most

Sector	Budget 2003/2004 £'000	Projection 2003/2004 £'000	Variance £'000	Commentary
Primary – cont'd				up-to-date information available and are subject to variations depending on future demand. The variance was also attributable to a slight reduction in pupil roll which resulted in a reduction in teaching costs.
Secondary	29,651	29,603	48	This underspend represents 0.12% of the total budget. The variance is mainly due to a small decrease in actual school roll compared to budget resulting in a small saving in staff and non-staff costs. However supply projections are based on the most up-to-date information available and are subject to variations depending on future demand.
Special	3,942	4,084	(142)	The requirement for specialist provision for children with special educational needs is very much demand led. This overspend is due to increased costs associated with pupils attending residential schools outwith Angus (education share currently £163k) being offset by savings in teaching staff costs (£21k).
Childcare Partnership	362	362	0	This budget is controlled by the partnership, which is a multi-agency group.
Early Intervention	287	281	6	Staff turnover has resulted in a small saving in staff costs.
ICT Team	154	152	2	Although overspent in supplies and services this has been offset by additional income.
School and Family Support Service	165	176	(11)	Additional costs to be incurred in relation to staff training due to large number of new staff which is as a result of new initiatives for which this sector is responsible.
Psychology Service	329	323	6	Small saving is being projected in staffing costs as a result of being unable to fill vacancies.
New Community Schools	0	20	(20)	This initiative is intended to be fully funded by specific grant. However the cost of the roll out programme has been greater than the grant available and is an ongoing budgetary concern.

Sector	Budget 2003/2004 £'000	Projection 2003/2004 £'000	Variance £'000	Commentary
Support for Pupils	1,086	1,056	30	This sector incorporates school catering, the provision of school clothing grants and F E bursaries. These are all demand led and at present both bursaries and provision of school meals are showing slight savings.
Technician Service	0	13	(13)	Although income is on target the purchase of additional equipment has resulted in this projected overspend.
Community Education	1,739	1,736	3	There are no significant variances identified in the projected expenditure of this sector.
School Crossing Patrols	331	319	12	Recruitment difficulties have contributed to a lower than anticipated expenditure.
Education Development Service	789	778	11	Staff turnover has resulted in a small saving in staff costs.
Alternatives to Exclusion	3	0	3	This slight underspend relates to a small staff saving.
Departmental Administration	3,514	3,517	(3)	There are no significant variances identified in the projected expenditure of this sector.
TOTAL	<u>70,820</u>	<u>70,715</u>	<u>105</u>	

5 CONCLUSION

The overall expenditure for the education department has been contained within the agreed revenue budget, and strategies are in place to address the major variances highlighted in this report.

6 FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report as the Director of Education will ensure that the final out-turn is in line with the Department's agreed revenue budget.

The overall position will continue to be carefully monitored and assuming the overall projected underspend is broadly consistent, the Director of Education will arrange for school devolved budgets to be augmented prior to the end of the financial year.

7 HUMAN RIGHTS IMPLICATIONS

There are no Human Rights implications arising directly from this report.

8 CONSULTATION

The Chief Executive, the Director of Law and Administration and the Director of Finance have been consulted in the preparation of this report.

JIM ANDERSON
DIRECTOR OF EDUCATION

BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.