

ANGUS COUNCIL

EDUCATION COMMITTEE – 19 AUGUST 2004
RESOURCES AND CENTRAL SERVICES COMMITTEE – 9 SEPTEMBER 2004

EDUCATION REVENUE BUDGET MONITORING
FOR THE PERIOD TO 31 MARCH 2004

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 year to 31 March 2004 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 out-turn for the Education Department, based on the un-audited management accounts for 2003-2004.

3 REVENUE BUDGET OUTTURN

The total Education Department actual expenditure for 2003-2004 was £80,786k compared to a budget of £80,932k. The net underspend of £146k relates to the controllable element of the budget. It should be noted that the analysis of expenditure has been amended from previous years to ensure the requirements of the Best Value Accounting Code of Practice are adhered to.

The Education Department budget is divided into a number of sectors. The position within each of these sectors is outlined as follows -

Sector	Budget 2003/2004 £'000	Outturn 2003/2004 £'000	Variance £'000	Commentary
Nursery	3,221	3,066	155	The requirement for supply cover and the level of payments to private and voluntary providers was lower than anticipated. In addition as a result of industrial action staff costs were lower than budgeted.
Primary	31,830	31,895	(65)	While as anticipated in earlier monitoring staff costs were lower than budget, due to requirement for year end adjustments in respect of particular grants eg. National Priority Action Fund, overall there is a slight overspend of £65k which represents 0.20% of the total budget. In accordance with the DSM Scheme, schools are able to carry forward budget underspends within prescribed limits. During the year there was a slight increase in cumulative carry forward from £388k to £415k.

Sector	Budget 2003/2004 £'000	Outturn 2003/2004 £'000	Variance £'000	Commentary
Secondary	37,363	37,241	122	This underspend represents 0.33% of the total budget. The variance is mainly due to slippage in staff costs as a result of slightly lower than anticipated school rolls and also less than anticipated water and sewerage costs due to the implementation of new pricing structure from Scottish Water. The savings were offset against home to school transport costs which increased beyond budget provision. In accordance with the DSM Scheme, schools are able to carry forward budget underspends. During the year there was a decrease in the devolved carry forward from £282k to £257k.
Special	4,415	4,543	(128)	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 £205k).
Childcare Partnership	361	356	5	This budget is controlled by the partnership, which is a multi-agency group.
Early Intervention	192	150	42	Staff turnover has resulted in this saving in staff costs.
ICT Team	152	152	0	For Best Value Accounting Code of Practice purposes the ICT costs are treated as support costs and these net costs are reallocated to appropriate sectors.
School and Family Support Service	161	162	(1)	Careful monitoring and staff slippage has resulted in this budget position.
Psychology Service	368	371	(3)	Additional expenditure relating to furnishings has resulted in this slight overspend.
New Community Schools	0	4	(4)	This initiative is fully funded by specific grant. However the cost of the roll out programme has been slightly greater than expected.
Support for Pupils	2,208	2,291	(83)	This sector incorporates school catering, the provision of school clothing grants and F E bursaries. These are all demand led and this overspend relates to the School Meal element.

Sector	Budget 2003/2004 £'000	Outturn 2003/2004 £'000	Variance £'000	Commentary
Technician Service	0	20	(20)	Although income was broadly on target, the purchase of additional equipment has resulted in an overspend.
Community Education	1,426	1,388	38	There are no significant variances identified in the expenditure of this sector. (An adjustment has been made with regards to ring fenced monies which are to be carried forward to financial year 2004/05)
School Crossing Patrols	0	0	0	For Best Value Accounting Code of Practice purposes the Crossing Patrol budget and expenditure are shown under the Roads Department. However, our departmental monitoring shows an underspend of £9k.
Education Development Service	1,157	1,121	36	Staff turnover has resulted in a small saving in staff costs and the service also generated additional income.
Alternatives to Exclusion	3	0	3	This slight underspend relates to a small staff saving.
Departmental Administration	0	0	0	For monitoring purposes there was a slight overspend in this sector (£24k). However, for Best Value Accounting Code of Practice purposes Departmental Admin costs are treated as support costs and these net costs are reallocated to appropriate sectors.
	<u>82,857</u>	<u>82,760</u>	<u>97</u>	
Central Support Charges	<u>(1,925)</u>	<u>(1,974)</u>	<u>49</u>	
	<u>80,932</u>	<u>80,786</u>	<u>146</u>	(0.18%)

The scheme for virement flexibility between years was amended in committee report 525/01. Under the revised scheme the Education Revenue Budget is permitted to carry forward 50% of any underspend on its controllable budget, up to a maximum carry forward of £100,000 in each year. Subject to confirmation of the controllable budget underspend of £146k shown in the unaudited management accounts, the Education Department will be able to carry forward £73k into financial year 2004/05. It is proposed to utilise this funding to enhance educational provision across the Council area.

4 CONCLUSION

The overall expenditure for the education department has been contained within the agreed revenue budget. The small underspend represents less than one fifth of 1% of the total budget.

5 HUMAN RIGHTS IMPLICATIONS

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

6 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.