

ANGUS COUNCIL

EDUCATION COMMITTEE – 11 AUGUST 2005
RESOURCES AND CENTRAL SERVICES COMMITTEE – 1 SEPTEMBER 2005

EDUCATION REVENUE BUDGET MONITORING
FOR THE PERIOD TO 31 MARCH 2005

JOINT REPORT BY THE DIRECTOR OF EDUCATION AND THE ACTING 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 2005 and provide comment on the more significant variances arising.

1 RECOMMENDATION

It is recommended that the respective Committees note the contents of this report for their respective interest.

2 INTRODUCTION

This report advises members of the revenue budget projected outturn of the Education Department based on the un-audited accounts for 2004-2005.

3 PROJECTED REVENUE BUDGET OUTTURN

The total Education Department actual expenditure for 2004/05 was £88,045k compared to a budget of £88,181k. The net underspend of £136k 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 2004/05 £'000	Outturn 2004/05 £'000	Variance £'000	Commentary
Nursery	4,040	4,054	+14	Careful monitoring of expenditure has contained commitments resulting in this relatively small overspend.
Primary	33,750	33,566	-184	As previously noted the cost of implementing aspects of the McCrone agreement, e.g. revised management structures, has been significantly less than anticipated.
Secondary	39,509	39,343	-166	As previously reported, new management structures were not fully implemented in the financial year 2005/06.

The projected underspend is slightly less than the December projection as supply cover, which is relatively difficult to predict, was greater than anticipated.

Sector	Budget 2004/05 £'000	Outturn 2004/05 £'000	Variance £'000	Commentary
Special	5,014	5,302	+288	<p>The requirement for specialist provision for children with special educational needs is very much demand led. This overspend is due in the main to increased costs associated with pupils attending residential schools outwith Angus.</p> <p>Increased demand for places for pupils with Additional Support Needs has resulted in higher levels of support staff.</p>
Childcare Partnership	537	537	0	This budget is controlled by the partnership, which is a multi-agency group.
ICT Team	0	0	0	For Best Value Accounting Code of Practice purposes the ICT costs are treated as support costs and the net cost is reallocated to appropriate sectors.
School and Family Support Service	181	177	-4	Careful monitoring and staff slippage has resulted in this budget position.
Psychology Service	354	323	-31	Difficulties in staff recruitment have resulted in this underspend.
Integrated Community Schools	0	0	0	In accordance with committee report 1314/04, this ring fenced funding has been carried forward for the purpose of adding value to the initiative.
Support for Pupils	3,154	3,411	+257	<p>This sector incorporates school catering, the provision of school clothing grants, Education Maintenance Allowances and home to school transport</p> <p>Home to school transport costs have increased significantly largely due to a number of contracts for pupils with special educational needs, where pupils are being transported to school across the county to meet their particular needs.</p> <p>Energy costs relating to school catering are significantly in excess of budget, due to new pricing structure. This part of the overspend is outwith the control of the Education Department and the appropriate adjustment has been made below</p>
Technician Service	0	0	0	For Best Value Accounting Code of Practice purposes the Technician costs are treated as support costs and the net cost is reallocated to appropriate sectors.

Sector	Budget 2004/05 £'000	Outturn 2004/05 £'000	Variance £'000	Commentary
Community Learning & Development	1,836	1,842	+6	Careful monitoring of expenditure has contained commitments, resulting in this budget position.
Education Development Service/Early Intervention	1,372	1,281	-91	Staff slippage and higher than anticipated income levels are the main reasons for this underspend.
Departmental Administration	0	0	0	For Best Value Accounting Code of Practice purposes Departmental Admin costs are treated as support costs and the net cost is reallocated to appropriate sectors.
School Crossing Patrols	317	307	-10	
Total	90,064	90,143	+79	
Less uncontrollable budget items				
Central Support Charges	(1,883)	(1,991)	-108	
Property Adjustment	0	(107)	-107	
TOTAL CONTROLLABLE BUDGET	88,181	88,045	-136	

4 FINANCIAL IMPLICATIONS

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 £150,000 in each year. Subject to confirmation of the controllable budget underspend of £136k, outlined in the un-audited management accounts, the Education Department will be able to carry forward £68k into financial year 2005/06. It is proposed to utilise this funding to enhance educational provision across the Council area.

5 HUMAN RIGHTS IMPLICATIONS

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

6 CONSULTATION

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

7 CONCLUSION

The overall expenditure for the education department has been contained within the agreed revenue budget. The small underspend represents 0.15% of the total budget.

JIM ANDERSON
DIRECTOR OF EDUCATION

COLIN McMAHON
ACTING DIRECTOR OF FINANCE

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.