

ANGUS COUNCIL

**EDUCATION COMMITTEE – 24 NOVEMBER 2011
CORPORATE SERVICES COMMITTEE – 1 DECEMBER 2011**

**EDUCATION REVENUE BUDGET MONITORING
FOR THE PERIOD TO 30 SEPTEMBER 2011**

JOINT REPORT BY THE DIRECTOR OF EDUCATION AND DIRECTOR OF CORPORATE SERVICES

ABSTRACT

The purpose of this report is to advise members of the projected revenue expenditure in comparison to budget in respect of the Education Department for the period to 30 September 2011 and provide comment on the more significant variances arising.

1 RECOMMENDATION

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

2 INTRODUCTION

- 2.1 This report advises members of the revenue budget projected outturn of the Education Department for 2011/2012, based on the expenditure and income at the end of September 2011.

3 PROJECTED REVENUE BUDGET OUTTURN

- 3.1 Based on the actual income and expenditure to the end of September 2011, the Education Department has a projected under spend of £247,000 (0.2%). Given 6 months of the financial year remains, the situation is subject to change and accordingly officers will continue to carefully monitor income and expenditure.
- 3.2 The Education Department net revenue budget as stated in the Final Revenue Budget Volume 2011/2012 is £100,840k. For Education Department monitoring purposes the revenue budget includes £653k which has been carried forward from financial year 2010/2011 for specific initiatives and an additional uplift of £647k in relation to Trainee Teacher “re-determination”, specific grant funding from Scottish Government for Moderation project (£87k) and a virement to Neighbourhood Services (£14k). The total revised budget for 2011/2012 for monitoring purposes is therefore £102,140k.
- 3.3 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	Projected Outturn	Variance	Commentary
	2011/12 £'000	2011/12 £'000	2011/12 £'000	
Nursery	4,544	4,385	159	A small reduction in pupil numbers has been reflected in the number of places provided, and has resulted in a corresponding reduction in staff costs of some £117k. The position will continue to be monitored carefully in light of any increase in pupil intake and supply cover over the coming months. An under spend in third party payments (£49k) is also projected.

Sector	Budget 2011/12 £'000	Projected Outturn 2011/12 £'000	Variance 2011/12 £'000	Commentary
Primary	32,838	32,756	82	Variation in rolls has resulted in staff slippage in teacher costs; however staff costs will continue to be closely monitored over the winter months, particularly in respect of the need for increased supply cover. The impact of the new teachers' terms and conditions will also require close monitoring.
Secondary	37,078	37,049	29	Careful management of teacher staffing levels has resulted in a small reduction in net expenditure.
Additional Support Needs (ASN)/ Alternative Provision/ Psychology Service/ School and Family Support	11,282	11,147	135	<p>To reflect how the service is managed (particularly in the context of the Best Value Review) the three sectors are now monitored as a whole. The main area of variance relates to residential school placements with projected costs of £921k compared to a budget of £1,031k. While this is a demand led service over which the Department has limited control, working closely with colleagues in Social Work and Health, strenuous efforts are being made to support as many young people in their local community as possible.</p> <p>It is proposed to make a budget carry forward request in relation to the under spend of £110k, to help set up a reserve account to help offset any future year overspends (in residential care). An application will be made to the Head of Finance and Strategic Policy Committee in due course.</p>
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 will be reallocated to appropriate sectors.
Support for Pupils	5,452	5,540	-88	<p>This sector incorporates School Crossing Patrols, School Catering, the provision of School Clothing Grants, Education Maintenance Allowances and home to school transport.</p> <p>As outlined in report 691/11 there is an overspend projected, due to the additional costs of home to school transport, of £101k. This has resulted from the need to give two inflationary increases to contractors in the first six months of the year. No provision has currently been made for any further increases.</p> <p>However, this has been partially offset by some nominal staff slippage in</p>

Sector	Budget 2011/12 £'000	Projected Outturn 2011/12 £'000	Variance 2011/12 £'000	Commentary
				School Crossing Patrols.
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 will be reallocated to appropriate sectors.
Community Learning & Development	2,013	2,012	1	No material variance in projected cost.
Education Development Service/Early Intervention	2,832	2,855	-23	Additional commitments for supplies and services have resulted in this small overspend. This includes the provision of additional resources for schools.
Departmental Administration	428	446	-18	For Best Value Accounting Code of Practice purposes the controllable element of Departmental Admin costs are treated as support costs and the net cost/saving will be reallocated to appropriate sectors. The projected overspend relates to additional staff costs and telephone and postage costs.
Forfar/ Carnoustie Schools Project	5,673	5,703	-30	This overspend relates to additional charges in respect of TUPE (Transfer of Undertakings [Protection of Employment Rights] Regulations), janitorial cover and additional opening times, albeit to a large extent this will be offset by increased let income.
Total	102,140	101,893	247	
Less anticipated Carry forward requests:				
Residential Fees (ASN)			110	
Year End Variance			<u>137</u>	

4. RISK

This report does not require any specific risk issues to be addressed.

5 FINANCIAL IMPLICATIONS

5.1 This report indicates a projected year end under spend of £247,000 on the 2011/2012 Education Revenue Budget. This under spend relates in the main to a projected under spend in the cost of Residential Fees and lower than anticipated nursery staffing costs partly offset by some areas of identified spend pressures and in particular home to school transport provision.

5.2 There are a number of property projects particularly in respect of accessibility improvements which are committed in the above projections. Every effort shall be made to ensure these projects are completed by 31 March 2012. However there may be the need to request budget carry forwards at the year end should any of these projects be delayed. Any such carry forward requests will be submitted to Strategic Policy Committee for consideration (together with the anticipated Residential Fees under spend noted above).

6. DEVOLVED SCHOOL MANAGEMENT (DSM)

6.1 Within Angus, Head Teachers, with support from the Education Finance Team are extremely proactive in managing their budget and aligning their requirements with priorities identified in school improvement plans. The position in the current financial year is reviewed on an ongoing basis and at this stage it is not envisaged that the final position will be significantly different from that which pertained in 2010/11, where the cumulative carry forward was £240k.

7. CAPITAL EXPENDITURE

7.1 Regular reports on Capital Monitoring are considered by the Corporate Services Committee, the most recent of which being Report 707/11 on 20 October 2011, this shows the projected expenditure to be on target with budget.

7.2 A summary of the latest Education position in gross terms using information to 30 September is as follows –

Budget 2011/12	£ 2,358k
Expenditure to 30 September 2011	£ 322k
Projected Expenditure	£ 2,358k

7.3 From the above it can be seen that at present projected expenditure is on target to budget. The situation with each project is closely monitored, including the risk of any over or under spends.

7.4 A summary of the position in respect of the main projects is outlined below –

Project	Budget 2011/12 £000	Spend to Date 2011/12 £000	Projected Spend 2011/12 £000
Arbroath Primary Schools Phase 1*	1,040	21	1,040
ICT Equipment	695	281	695

*actual expenditure will be dependent on the timing of the Scottish Government's decision about the provision of a new school on the Hospitalfield site in Arbroath. The position is being closely monitored.

8 EQUALITIES IMPLICATIONS

8.1 The issues dealt with in this Report have been the subject of consideration from an equalities perspective (as required by legislation). An [equalities impact assessment](#) is not required.

9 HUMAN RIGHTS IMPLICATIONS

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

10. CONSULTATION

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

11 CONCLUSION

11.1 The Director of Education and the Head of Finance will continue to closely monitor the position and ensure most effective use is made of available resources. In conjunction with financial regulations the appropriate virement forms will be completed and submitted to the Finance Department.

NEIL LOGUE
DIRECTOR OF EDUCATION

COLIN MCMAHON
DIRECTOR OF CORPORATE SERVICES

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.