

ABERDEEN CITY COUNCIL

COMMITTEE: Education, Culture and Sport
DATE: 15 September 2011
REPORT BY: Director and Head Of Finance
TITLE OF REPORT: 2011/12 BUDGET MONITORING
REPORT NUMBER: ECS/11/063

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to
- i) bring to Committee members notice the current year revenue budget performance to date for the services which relate to this Committee; and
 - ii) advise on any areas of risk and management action.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:
- i) Note this report on the forecast out-turn on the revenue budget and the information on areas of risk and management action that is contained herein;
 - ii) Instruct that officers continue to review budget performance and report on service strategies

3. FINANCIAL IMPLICATIONS

- 3.1. The total Education, Culture & Sport revenue budget, amounts to £181m net expenditure. This is made up of £193m of gross expenditure, offset by £12m of Income and recharges.
- 3.2. Based upon present forecasts it is anticipated that the financial performance of the service will result in an unfavourable movement on the Council finances overall of £700K. This position will be reflected in the overall financial monitoring for the Council when it is reported to Finance and Resources Committee at the end of this Committee cycle.
- 3.3. Further details of the financial implications are set out in section 6 and the appendices attached to this report.

4. SERVICE & COMMUNITY IMPACT

- 4.1 As a recognised top priority the Council must take the necessary measures to balance its budget. Therefore Committees and services are required to work within a financial constraint. Every effort is being focused on delivering services more efficiently and effectively.

5. OTHER IMPLICATIONS

- 5.1 Every organisation has to manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by services and corporately by Members. This report is part of that framework and has been produced to provide an overview of the current operating position.

6 REPORT

- 6.1 This report informs members of the current year revenue budget performance to date, for the service budget and provides high level summary for the consideration of Members, to period 4 (end to July 2011).
- 6.2 The service report and associated notes on progress towards achievement of the 2011-12 savings targets are attached at Appendices A and B.

2011-12 Approved Savings

There are 20 approved savings, for 2011-2012 totalling £3.0M. These are listed at Appendix A. Against each of the savings is a narrative detailing the progress to date on each of these.

The monitoring of the Budgeted Savings is being carried out by the Programme Management Office. At this stage, the majority of the savings are forecast to be delivered, with the exception of savings on Out Of Authority Placements as outlined below.

Of the projected savings from Education, Culture and Sport, there are a 2 service options included which were contingent on national negotiations. The national negotiations have now taken place and these service options are not part of the agreement reached between CoSLA and teacher unions. The shortfall of £130K will be met from the Teachers Protection Grant.

7 Financial Position and Risks Assessment

The current forecast revenue out-turn is for an overspend of £700K.

- 7.1 The following areas of risk are highlighted together with management action being taken.

a) Out of Authority Placements

This is an aligned budget with Social Care and Wellbeing which funds those costs associated with educating and accommodating children in specialist schools not run by Aberdeen City Council. The total aligned budget is £5.2M, of which the Education Culture and Sport part of this budget totals £2.2M.

The latest estimate as at 31 July 2011 is that the total aligned budget has commitments totalling £5.8M with a total over-commitment of £0.6M. The Education, Culture and Sport element of the over-commitment is £165K.

This is a marked improvement on the budget position at this time last year which was showing total commitments of £7.5M

Officers from Education, Culture and Sport and Social Care and Wellbeing are continuing to work on short and long term strategies to reduce the number and duration of out of authority placements. This includes a series of rigorous case reviews and a review of current processes and alternative provision.

It should be noted that this budget is subject to external factors out of our direct control: the council is required to fund placements instructed by the Children's Panel and needs to respond to the needs of children and young people in crisis, which will on occasion require services outwith the authority.

Currently there are 22 young people in residential placements out of the authority; recent work has resulted in five young people returning to the city.

It should be noted that if commitments continue at current levels until the end of the financial year, this saving will not be achieved.

b) Determined to Succeed

This has been budgeted as a grant but it was found, after budgets had been finalised, that this funding was now included within the annual settlement. Discussions have been taking place between Corporate Finance and EC&S to identify funding to mitigate this shortfall. To date, £300K of the £600K shortfall has been identified. The service is currently reviewing its planned expenditure in order to operate within this level of funding, including making use of unspent monies from last financial year.

c) Transport Costs

At this time, expenditure is forecast to be £100K greater than budget. This assumes that retendering savings of £250K will be applied to these budgets. This budget is to be transferred to EP&I with the approval of Finance and Resources Committee.

d) Catering Operations

The Year to date position on catering operations at Provost Skene House, the Maritime Museum and the Art Gallery is a deficit of £70K.

Whilst it is believed that the year to date deficit can be met from staffing savings elsewhere within the budget, this deficit cannot be sustained at this level for the remainder of the year. The operation of the catering function at each of these sites is currently being examined by EC&S officers to bring this function back into line with budget.

e) Property Costs

It is estimated that there is a budget shortfall of £480K in cleaning costs by reference to previous year's expenditure. It should be noted that these budgets and associated costs are expected to be transferred to EP&I during October at the conclusion of a review by Corporate Finance into internal recharging and permission from Finance and Resources Committee to transfer budgets between services.

8. REPORT AUTHOR DETAILS

Brian Dow
Finance Partner
bdow@aberdeencity.gov.uk
01224 814610

Additional contributions to analysis of risks and management action by
Director & Heads of Service – Education, Culture & Sport

Five Year Business Plan Implementation
Education, Culture & Sport

Status Grid uses traffic Light system
Green indicates on target
Yellow indicates some progress made, further work required
Red indicates significant work required

| | | Responsible Officer | Position Statement as at 9.8.11 | | Year 1 (2011/12) | Year 2 (2012/13) | Year 3 (2013/14) | Year 4 (2014/15) | Year 5 (2015/16) |
|-------------------------------|--|----------------------------------|--|--|------------------------|---------------------|---------------------|------------------------|------------------------|
| Green Accepted | | | | | | | | | |
| TRANSFORMATION OPTIONS | | | | | | | | | |
| ECS1_C1 | Integrated communities teams service - Revised Option | Patricia Cassidy/Gail Woodcock | New structure in place. Managed VS/ER process well advanced. £1.6M saving on target. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -1,600 0 -1,600 | -2,400 -2,400 | -2,400 -2,400 | -2,400 -2,400 | -2,400 -2,400 |
| ECS1_C26 | Reduce the number of out of authority placements by redesign and small addition to existing local services | Susan Devlin/Patricia Cassidy | 6 children returning from 26 OOP total. Responsible HoS is reporting saving on target from August. (Budget is currently over committed, due to the school year being out of alignment with the FY.) YELLOW | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -470 -470 | -710 -710 | -950 -950 | -1,130 -1,130 | -1,310 -1,310 |
| ECS1_C3 | Move to Cultural Trust | Patricia Cassidy/Neil Bruce | Awaiting instruction as to how to engage with the Council's recently appointed external consultant who is assisting with alternative service delivery options. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | 0 250 250 | 0 0 | -144 -144 | -144 -144 | -144 -144 |
| ECS1_C22 | Contract Out Non Staff and Non School Catering at Beach Ballroom/Art Gallery | Patricia Cassidy/Neil Bruce | The options appraisal process for the Cultural Trust will address the possible inclusion of the non-staff and non-school catering service. Year 2 delivery. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | 0 100 100 | -85 -85 | -85 -85 | -85 -85 | -85 -85 |
| ECS_E11 | Redesign of senior secondary school towards a City Campus | David Leng/Derek Samson | On target. City-wide access to 15 additional Advanced Highers and course-development work ongoing with Shetland Council with potential for reduced staffing. Further curricular development and use of ICT also being explored. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | 0 0 0 | 0 550 550 | -94 -94 | -94 -94 | -1,410 1,316 -94 |
| ECS1_C17 | Educational Psychology: To develop a joint EP Service with neighbouring authorities | Patricia Cassidy/Sheila Sansbury | Business Plan in place with link to ECS_E25, Shared Services. Delivery Year 3. GREEN | Gross Saving Implementation Costs Net Annual Saving | 0 0 | 0 0 | -35 -35 | -35 -35 | -35 -35 |
| ECS1_C25 | Potential shared services with other local authorities (EC&S) | Charlie Penman/Jane Nicklen | Thinkpiece coming to September SMT and shared services on agenda for Joint Director's meeting, 9 Sept. Year 2 delivery. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | 0 0 | -450 450 0 | -450 -450 | -450 -450 | -450 -450 |
| ECS1_C10 | Root and branch review of commissioned arts and sports services | Patricia Cassidy/Neil Bruce | Year 1 saving met. Commissioning Officer appointed. Next steps are scoping review of funding organisations and first organisations and establishing key officers working group. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -104 40 -64 | -343 60 -283 | -726 70 -656 | -1,251 80 -1,171 | -1,890 90 -1,800 |
| Sub-Total | | | | | -1,784 | -2,928 | -4,814 | -5,509 | -6,318 |
| EFFICIENCIES | | | | | | | | | |
| ECS_E19 | Rationalise School Administration | David Leng/Lesley Kirk | £111k saving achieved. Implementation complete bar 2 people through mix of reduced hours and VS. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -385 274 -111 | -578 -578 | -578 -578 | -578 -578 | -578 -578 |
| ECS_E30 | Changes to terms of engagement of casual teachers | David Leng/Kirsten Foley | 60% savings could be achieved through savings on 1st 5 days casual cover at Sc 1. Predicting £130k shortfall in Y1 to be met from Teachers Protection Grant. Change control doc completed. RED | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -166 -166 | -250 -250 | -250 -250 | -250 -250 | -250 -250 |
| ECS_E35 | Contracting casual teachers for pupil attendance time only - 25 hrs in Primary & 27.5 hrs in Secondary and Special Schools | David Leng/Kirsten Foley | RED | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -112 -112 | -168 -168 | -168 -168 | -168 -168 | -168 -168 |
| ECS1_C20 | Educational Psychology: Do not fill current vacant posts | Patricia Cassidy/Bill O'Hara | Savings already achieved. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -168 -168 | -168 -168 | -168 -168 | -168 -168 | -168 -168 |
| ECS_E5 | Nursery Nurses to provide non class contact cover for nursery teachers | David Leng/Liz Gillies | Hours picked up by existing Nursery Nurses in schools required. Number of hours still required in 4 ASGs and HR business case prepared for 2 peripatetic posts to cover as per PBB Business Case. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -53 -53 | -80 -80 | -80 -80 | -80 -80 | -80 -80 |
| | Use Of Teachers Protection Grant | David Leng | Use Teachers Protection Grant to offset E5 budget option on reduction of nursery teachers. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -177 -177 | -265 -265 | -265 -265 | -265 -265 | -265 -265 |
| ECS_E32 | Pensions Reduction: No Contribution for temporary promoted posts | David Leng/ | £26k saving delivered. Helen Valentine checking with SSPA as to whether position can be sustained. saving can be sustained. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -26 -26 | -26 -26 | -26 -26 | -26 -26 | -26 -26 |
| ECS_E40 | Maximising class sizes in upper stages of secondary school | David Leng/Derek Samson | No Business Case. Derek to update on progress. GREEN | Gross Saving Implementation Costs Net Annual Saving | 0 1,011 0 | 0 0 | -1,849 -838 | -2,773 -2,773 | -1,457 -1,457 |
| ECS_E37 | Revised music service option | David Leng/Derek Samson | Staff savings achieved through 4.39 FTE staff reduction and supply and overtime budget alterations. Fee levels held to April 2012 and supplemented by increase in fee income and more efficient fee monitoring. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -321 160 -161 | -521 -521 | -521 -521 | -521 -521 | -521 -521 |
| Sub-Total | | | | | -974 | -2,056 | -2,894 | -4,829 | -3,513 |
| STOP/REDUCE | | | | | | | | | |
| ECS_E22 | Reduce Pupil Support Assistants Provision by 33% in Primary Schools | David Leng/Sohail Faruqi | Combine E22 and E24 into one budget line. HR confident of delivery. Exact savings being calculated in monetary and FTE terms. GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -1,245 1,518 273 | -1,867 -1,867 | -1,867 -1,867 | -1,867 -1,867 | -1,867 -1,867 |
| ECS_E24 | Reduce Pupil Support Assistants Provision by 33% in Secondary Schools | | GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -437 455 18 | -655 -655 | -655 -655 | -655 -655 | -655 -655 |
| ECS_E17a | Additional Support Needs: Increase Teacher/Pupil Ratios to 1:10 - Secondary | David Leng/Sohail Faruqi | Implementation Plan prepared, schools advised and staffing implications identified for each school for introduction in August 2011 GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -400 233 -167 | -600 -600 | -600 -600 | -600 -600 | -600 -600 |
| ECS_E18a | Additional Support Needs: Increase teacher/pupil ratios to 1:10 in primary school ASN Bases. | David Leng/Sohail Faruqi | Implementation Plan prepared, schools advised and staffing implications identified for each school for introduction in August 2011 GREEN | Gross Saving Implementation/Redundancy Costs Net Annual Saving | -333 -333 | -500 -500 | -500 -500 | -500 -500 | -500 -500 |
| Sub-Total | | | | | -209 | -3,622 | -3,622 | -3,622 | -3,622 |
| TOTAL | | | | | -2,967 | -8,606 | -11,330 | -13,960 | -13,453 |

**ABERDEEN CITY COUNCIL
REVENUE MONITORING 2011/2012**

APPENDIX B

DIRECTORATE : Education, Culture & Sport

| As at end of July 2011 | | Year to Date | | | Forecast to Year End | | |
|--|-----------------------------------|-------------------------|-----------------------------|--------------------------|----------------------|--------------------------|-----------------------|
| Accounting Period 4 | Full Year Revised Budget £'000 | Revised Budget £'000 | Actual Expenditure £'000 | Variance Amount £'000 | Outturn £'000 | Variance Amount £'000 | Variance Percent % |
| Head of Service - Communities, Culture & Sport | 34,204 | 10,183 | 8,143 | (2,040) | 34,444 | 240 | 0.7% |
| Head of Service - Schools and Educational Services | 142,002 | 48,266 | 47,837 | (429) | 142,451 | 449 | 0.3% |
| Head of Service - Policy & Performance | 4,345 | 1,251 | 1,103 | (148) | 4,345 | 0 | 0.0% |
| TOTAL BUDGET | 180,551 | 59,700 | 57,082 | (2,618) | 181,240 | 689 | 0.4% |

**ABERDEEN CITY COUNCIL
REVENUE MONITORING 2011/2012**

**DIRECTORATE :Education Culture & Sport
HEAD OF SERVICE : P Cassidy**

| AS AT | 31 July 2011 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|--------------------------|--------------|----------------|----------------|----------------|----------------|------------------------|------------|--------------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | TOTALS | VARIANCE | | |
| ACCOUNTING PERIOD 4 | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 |
| STAFF COSTS | | 12,215 | 4,605 | 4,243 | (362) | 12,215 | 0 | 0.0% | 0 |
| PROPERTY COSTS | | 3,059 | 1,166 | 1,193 | 27 | 3,059 | 0 | 0.0% | 0 |
| ADMINISTRATION COSTS | | 642 | 172 | 88 | (84) | 642 | 0 | 0.0% | 0 |
| TRANSPORT COSTS | | 354 | 118 | 84 | (34) | 354 | 0 | 0.0% | 0 |
| SUPPLIES & SERVICES | | 5,106 | 1,702 | 710 | (992) | 5,106 | 0 | 0.0% | 0 |
| COMMISSIONING SERVICES | | 3,359 | 1,120 | 934 | (186) | 3,524 | 165 | 4.9% | 0 |
| TRANSFER PAYMENTS TOTAL | | 9,318 | 3,105 | 3,078 | (27) | 9,318 | 0 | 0.0% | 0 |
| CAPITAL FINANCING COSTS | | 5,579 | 0 | 0 | 0 | 5,579 | 0 | 0.0% | 0 |
| GROSS EXPENDITURE | | 39,632 | 11,988 | 10,330 | (1,658) | 39,797 | 165 | 0.4% | 0 |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | | (192) | (64) | (683) | (619) | (192) | 0 | 0.0% | 0 |
| OTHER GRANTS | | (82) | (24) | (455) | (431) | (82) | 0 | 0.0% | 0 |
| FEES & CHARGES | | (2,374) | (791) | (703) | 88 | (2,374) | 0 | 0.0% | 0 |
| RECHARGES | | (363) | (120) | (120) | 0 | (328) | 35 | -9.6% | 0 |
| OTHER INCOME | | (2,417) | (806) | (226) | 580 | (2,377) | 40 | -1.7% | 0 |
| TOTAL INCOME | | (5,428) | (1,805) | (2,187) | (382) | (5,353) | 75 | -1.4% | 0 |
| NET EXPENDITURE | | 34,204 | 10,183 | 8,143 | (2,040) | 34,444 | 240 | 0.7% | 0 |

VIREMENT PROPOSALS

None this cycle

BUDGET TO DATE MONITORING VARIANCE NOTES

Staff Costs

Whilst the year to date expenditure is £362K less than budgeted, it should be noted that annual Staff Turnover Savings of £330K relating to this element of the service is currently held within another Head Of Service portfolio. On a pro rata basis, this would reduce this underspend by £110K

It should be noted that £60K of this underspend relates to catering operations at the Art Gallery, Provost Skene House and the Maritime Museum, where year to date deficits have arisen.

Supplies & Service

Whilst year to date expenditure is £710K greater than budgeted, this is matched with greater than budgeted income of the same value. Included within this heading is unbudgeted income in respect of Maritime Phase 3 Oil & Gas (£285K), Maritime Education Room (£90K) and Strategic Music Partnership (£110K)

Within this heading is an underspend of £65K in relation to Catering provisions at The Art Gallery, Provost Skene House and the Maritime Museum, where income levels are less than budgeted.

Commissioning Services

Out Of Authority Placements - The present position on the aligned budget shows an overspend of £565K, of which £165K is attributable to Education, Culture & Sport. The service have identified that a shortage of SEN places is a potential barrier to retaining children within the city and bringing others back from Out Of Authority provision.

Government Grants

The bulk of the additional Income of £683K reflects the expected additional expenditure within Supplies & Services.

Other Grants

The bulk of the additional Income of £455K reflects the expected additional expenditure within Supplies & Services.

Fees & Recharges

Recoveries from Common Good. In line with 2010-11 levels this is likely to be £35K less than budgeted.

Year to date Income in respect of catering at the Art Gallery, Provost Skene House and the Maritime Museum is £200K under budget. Although there are offsetting savings in Staffing and Supplies and Services of £40K and £65K respectively, there is a year to date deficit of £65K in the net position of these 3 establishments.

Other Income

The additional income reflects recharges to Sport Aberdeen for Creche Services which were not budgeted. This will be used to

| | |
|--------------------|--------|
| PROJECTED VARIANCE | CHANGE |
| £'000 | £'000 |

0 0

0 0

165 0

35 0

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2011/2012

DIRECTORATE :Education Culture & Sport
HEAD OF SERVICE : D Leng

| AS AT | 31 July 2011 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|--------------------------|----------------|----------------|----------------|----------------|----------------|------------------------|--------------|----------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | TOTALS | VARIANCE | £'000 | |
| ACCOUNTING PERIOD 4 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 |
| STAFF COSTS | 101,794 | 34,501 | 33,275 | (1,226) | 101,414 | (380) | -0.4% | 0 | |
| PROPERTY COSTS | 26,836 | 11,306 | 11,329 | 23 | 27,316 | 480 | 1.8% | 0 | |
| ADMINISTRATION COSTS | 429 | 143 | 51 | (92) | 429 | 0 | 0.0% | 0 | |
| TRANSPORT COSTS | 2,864 | 955 | 896 | (59) | 2,964 | 100 | 3.5% | 0 | |
| SUPPLIES & SERVICES | 5,240 | 1,747 | 1,096 | (651) | 5,140 | (100) | -1.9% | 0 | |
| COMMISSIONING SERVICES | 2,485 | 828 | 955 | 127 | 2,585 | 100 | 4.0% | 0 | |
| TRANSFER PAYMENTS | 2,281 | 760 | 872 | 112 | 2,231 | (50) | -2.2% | 0 | |
| CAPITAL FINANCING COSTS | 6,097 | 0 | 0 | 0 | 6,097 | 0 | 0.0% | 0 | |
| GROSS EXPENDITURE | 148,026 | 50,240 | 48,474 | (1,766) | 148,176 | 150 | 0.1% | 0 | |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | (1,573) | (511) | (32) | 479 | (1,273) | 300 | -19.1% | 0 | |
| OTHER GRANTS | (130) | (43) | (43) | 0 | (130) | 0 | 0.0% | 0 | |
| FEES & CHARGES | (903) | (281) | (361) | (80) | (903) | 0 | 0.0% | 0 | |
| RECHARGES | (94) | (31) | (31) | 0 | (94) | 0 | 0.0% | 0 | |
| OTHER INCOME | (3,325) | (1,108) | (170) | 938 | (3,325) | 0 | 0.0% | 0 | |
| TOTAL INCOME | (6,025) | (1,974) | (637) | 1,337 | (5,725) | 300 | -5.0% | 0 | |
| NET EXPENDITURE | 142,002 | 48,266 | 47,837 | (429) | 142,451 | 450 | 0.3% | 0 | |

VIREMENT PROPOSALS

None this cycle

BUDGET TO DATE MONITORING VARIANCE NOTES

Staff Costs

It should be noted that £30k of Staff Turnover costs relating to this Head Of Service lay within budgets held by another Head Of Service. It should also be noted that the Managers Team staffing budget is currently underspent on a year to date basis by £70K.

PROJECTED VARIANCE £'000

CHANGE £'000

0

0

There are forecast to be annual staffing savings of £350K in respect of Probationer Teachers budget, on the assumption the new intake of Probationers in August 2011 is largely cost neutral.

(380)

0

Whilst year to date expenditure is less than budgeted, it should be noted that the annual roll related staff adjustment exercise is in process. Whilst initial reports from EC&S are favourable in respect of School Teaching Staff numbers, additional costs are arising as a result of the ASN Admissions policy. As yet the extent of these costs is not known as no data has been passed to Services Accounting to review. It should be noted that as schools now use cash based monitoring for their staffing budgets that if the individual school budget is not adjusted both the current and next years staffing budgets are likely to be understated.

Property Costs

The main reason for the year to date and forecast variance relates to Cleaning Costs. It should be noted that these budgets and associated costs are expected to be transferred to EP&I during August at the conclusion of a review by Corporate Finance and permission from Finance and Resources Committee to transfer budgets between services.

480

0

Transport Costs

The main reason for the year to date and forecast variance relates to School Transport contracts. It should be noted that these budgets and associated costs are expected to be transferred to the Public Transport Unit during October at the conclusion of a review by Corporate Finance and permission from Finance and Resources Committee to transfer budgets between services. It has also been assumed that re-tendering savings of £250K will be attributed to this budget.

100

0

Supplies & Services

The main reasons for the variance relate to a previous years underspend on Determined to Succeed (£200k) plus schools not utilising their Per Capita budgets until later during the year. An examination of catering related costs for 2010/11 against the current year budget has indicated an underspend of £100k.

(100)

0

Commissioning Services

Year to date expenditure reflects payments made for pre school providers. It should also be noted that based upon previous years charges, Swimming Pool Hire expenditure is forecast to be £100k greater than budget.

100

0

Transfer Payments

Year to date expenditure reflects the costs of Free School meals, here expenditure is not always on a straight line basis. Using 2010/11 expenditure levels as an indicator, it is expected that final expenditure will be slightly below budget.

(50)

0

Government Grants

The main reason for the under recovery of grant relates to the change in status of the Determined To Succeed monies which are budgeted as a grant, but which are now included within the annual settlement figure. This accounts for £150k of the year to date variance. Discussions are taking place with Corporate Finance to identify funding to offset this budget disparity

300

0

Other Income

The main reason for the year to date variance relates to DEM Target Savings which are not normally achieved until later in the financial year.

0

0

450

0

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2011/ 2012

DIRECTORATE :Education Culture & Sport
HEAD OF SERVICE : C Penman

| AS AT | 31 July 2011 | ANNUAL BUDGET | BUDGET TO DATE | | | PROJECTION TO YEAR END | | | CHANGE FROM LAST REPORT |
|--------------------------|--------------|---------------|----------------|--------------|--------------|------------------------|----------|-------------|-------------------------|
| | | | PLANNED | ACTUAL | VARIANCE | TOTALS | VARIANCE | | |
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 |
| ACCOUNTING PERIOD 4 | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | % | £'000 |
| STAFF COSTS | | 2,070 | 690 | 747 | 57 | 2,070 | 0 | 0.0% | 0 |
| PROPERTY COSTS | | 454 | 330 | 285 | (45) | 454 | 0 | 0.0% | 0 |
| ADMINISTRATION COSTS | | 405 | 135 | 56 | (79) | 405 | 0 | 0.0% | 0 |
| TRANSPORT COSTS | | 41 | 14 | 15 | 1 | 41 | 0 | 0.0% | 0 |
| SUPPLIES & SERVICES | | 681 | 227 | 143 | (84) | 681 | 0 | 0.0% | 0 |
| COMMISSIONING SERVICES | | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 |
| TRANSFER PAYMENTS | | 2 | 0 | 0 | 0 | 2 | 0 | 0.0% | 0 |
| CAPITAL FINANCING COSTS | | 1,140 | 0 | 0 | 0 | 1,140 | 0 | 0.0% | 0 |
| GROSS EXPENDITURE | | 4,793 | 1,396 | 1,246 | (150) | 4,793 | 0 | 0.0% | 0 |
| LESS: INCOME | | | | | | | | | |
| GOVERNMENT GRANTS | | (10) | 0 | 0 | 0 | (10) | 0 | 0.0% | 0 |
| OTHER GRANTS | | 0 | | | 0 | 0 | 0 | 0.0% | 0 |
| FEES & CHARGES | | (10) | (4) | (2) | 2 | (10) | 0 | 0.0% | 0 |
| RECHARGES | | (394) | (131) | (131) | 0 | (394) | 0 | 0.0% | 0 |
| OTHER INCOME | | (34) | (10) | (10) | 0 | (34) | 0 | 0.0% | 0 |
| TOTAL INCOME | | (448) | (145) | (143) | 2 | (448) | 0 | 0.0% | 0 |
| NET EXPENDITURE | | 4,345 | 1,251 | 1,103 | (148) | 4,345 | 0 | 0.0% | 0 |

VIREMENT PROPOSALS

None this cycle

BUDGET TO DATE MONITORING VARIANCE NOTES

| | |
|--------------------|--------|
| PROJECTED VARIANCE | CHANGE |
| £'000 | £'000 |

Staff Costs

At present, held within a cost centre linked to this Head Of Service is Staff Turnover Vacancy targets of £360K. This Staff Turnover saving, if attributed to the other Heads Of Service, would increase the budget available by £120K. Included within these staffing costs is year to date expenditure of £24K in respect of a member of staff who is currently in dispute with the council. For forecasting purposes, it has been assumed that Staff Turnover Savings will be apportioned out to the respective Heads Of Service.

| | |
|---|---|
| 0 | 0 |
|---|---|

Administration costs

The main areas of underspend within this heading relates to Curricular Staff Development (£25K), Childrens Service Development Budget (£20K) and Disclosure Scotland Checks (£10K)

| | |
|---|---|
| 0 | 0 |
|---|---|

Supplies & Services

The main areas of underspend are the 3Rs Development fund (£50K), Disability Adjustment works (£40K) and ICT Masterclasses (£30K). It is understood that work in respect of modifying rooms in 5 schools for the August roll intake are in the process of being considered. These costs will be set against the 3R's Development Programme monies.

| | |
|---|---|
| 0 | 0 |
|---|---|

Glossary

The following glossary refers to terms used within the body of the report and its appendices

Staff Costs

This cost category includes all direct staff costs such as salaries and wages as well as indirect staff costs such as pension and lump sum payments.

Property Costs

This heading includes all costs associated with the upkeep of buildings and grounds. This includes such expenditure as rates, energy, property repairs, cleaning, grounds maintenance and the 3 R's unitary charge.

Administration Costs

This heading relates to the administrative functions associated with the service. This includes such expenditure as courses, printing & stationery, telephones, disclosure checks and advertising.

Transport Costs

This heading includes the costs of day to day travel for all staff, car parking passes, Home to School Transport and any relocation travel expenses.

Supplies & Services Costs

This heading relates to a number of types of expenditure, and includes purchase, hire, repair and maintenance of equipment, catering costs, exam fees, Community Centre management funds purchases, schools per capita budgets.

Commissioning Services

This heading includes payment for services carried out by external agencies. This includes payments in respect of External Placements, swimming pools, Grampian Health Board.

Transfer Payments

This mainly reflects payments to third parties such as clothing grants, free school meal costs and education maintenance allowance payments, grants and contributions to external bodies.

Capital Financing Costs

This is the repayment costs associated with projects previously approved within the Non Housing Capital Programme. The budget reflects the planned repayment of both capital and interest elements.

Income - Fees & Charges

This is income generated from the sale of services. This includes admission charges, premises hire, music and coaching fees catering sales and the sale of season tickets.

Income - Other Income

This tends to encompass expenditure recoveries and includes education maintenance allowance reclaims from the Scottish Government, DEM Target Savings, funding carried forward from previous years and miscellaneous income categories.

