

ABERDEEN CITY COUNCIL

COMMITTEE: **Education, Culture and Sport**

DATE: **24 November 2011**

REPORT BY: **Director and Head Of Finance**

TITLE OF REPORT: **2011/12 BUDGET MONITORING**

REPORT NUMBER: **ECS/11/073**

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
 - iii) Approve the budget virements contained within this report

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 £450K. This is a reduction in overspend of £250K since last reported to committee in September 2011. 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 6 (end to September 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 £60K will be met from the Teachers Protection Grant.

7 Financial Position and Risks Assessment

The current forecast revenue out-turn is an overspend of £600K.

- 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 30 September 2011 is that the total aligned budget has commitments totalling £5.8M with a total over-commitment of £480K. The Education, Culture and Sport element of the over-commitment is £130K.

This is an improvement on the budget position when this was last reported.

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 26 young people in residential placements out of the authority.

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. This grant was £600K. Discussions with Corporate Finance have confirmed that £300K is available to offset this shortfall. This is in addition to £200K of underspend from 2010/11. EC&S have confirmed this budget will be adequate for 2011/12.

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 following the approval of Finance and Resources Committee on 29 September 2011.

d) Catering Operations

The year to date position on catering operations at Provost Skene House and the Maritime Museum is a deficit of £70K. Whilst this deficit will be met from staffing savings elsewhere within the budget, this deficit cannot be sustained at this level for the remainder of the year.

The Maritime Museum has contractual obligations which include a 6 month notification of termination period and full year losses are estimated to be around £60K. The required contract termination notice has been made which will ensure this deficit does not continue into 2012-13. The intention is to continue a limited catering service at the site whilst an options appraisal is undertaken and customer feedback gathered. As well as retaining the profile of the venue, this will also allow for corporate hires to continue during this period. It is estimated that expenditure in the region of £9-10k is required to hide the kitchen and servery area, maintain and upkeep the kitchen equipment for corporate hires and purchase settees and low tables for visitors to use in the space. This will mitigate the risk of having an empty and unused space at the front of the building, which would present a poor quality welcome for visitors

With respect to Provost Skene House, as the decision has been taken to demolish St Nicholas House, it is likely that Provost Skene House will need to be closed while the demolition works are underway. This will provide an opportunity to re-assess the future of catering operations at this site.

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 will be transferred to EP&I following permission from Finance and Resources Committee on 29 September 2011 to transfer budgets between services.

(f) Teacher Staffing Costs

The annual change in budgeted teaching numbers following the August 2011 pupil intake, adjusting for approved PBB savings, is an increase of 16 teachers. This will increase teacher staffing costs by £400K. The directorate have also been notified of an additional allocation of monies from the Scottish Government following an underspend in the national Teachers Induction scheme. Aberdeen City Council's share of this underspend is approx. £440K, and this will be utilised towards meeting the additional teaching staff costs.

8. VIREMENTS

8.1 The following budget virements are proposed. These virements reflect the transfer of budget provision in areas where there is an underspend to those areas where forecast expenditure is greater than budget. These budget transfers do not affect the net financial position of the Directorate but will be reflected in forecasts positions within those budget managed by individual Heads of Service

8.2

Budget Description	Budget Virement £'000	Service
Escorts	-50	Schools and Educational Services
Staff Costs	-210	Schools and Educational Services
Pre-School Providers	50	Schools and Educational Services
Property Rental	80	Schools and Educational Services
Out Of Authority Placements	130	Communities, Culture & Sport
Staff Costs	-70	Communities, Culture & Sport
Catering Income	70	Communities, Culture & Sport

9. IMPACT

- 9.1 Corporate – 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 focussed on delivering services more efficiently and effectively.
- 9.2 Public – this report is likely to be of public interest due to the size of the budgets involved and the nature of the services provided by Education, Culture & Sport, a number of which are front line services delivered directly to citizens within the city.

10. AUTHORISED SIGNATORY

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11. REPORT AUTHOR DETAILS

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Additional contributions to analysis of risks and management action by
 Director & Heads of Service – 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

	Green Accepted	TRANSFORMATION OPTIONS	Responsible Officer	Position Statement as at 16.9.11		Year 1 (2011/12)	Year 2 (2012/13)	Year 3 (2013/14)	Year 4 (2014/15)	Year 5 (2015/16)
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. Arrangements for youth work staff still outstanding.	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 -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 confident saving will be achieved. (ECS budget is currently over committed by £130K)	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-470 -470 -470	-710 -710 -710	-950 -950 -950	-1,130 -1,130 -1,130	-1,310 -1,310 -1,310
ECS1_C3		Future delivery of Cultural Services (new title)	Patricia Cassidy/Neil Bruce	Meeting with KPMG assessed that additional specialist support will be required. Initial Project Board meeting agreed that procurement of an external specialist be progressed. Year 3 delivery.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	0 250 250	0 0 0	-144 -144 -144	-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.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	0 100 100	-85 -85 -85	-85 -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. More detailed costings in process of being worked up.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	0 0 0	0 550 550	-94 -94 -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. More detailed work now required to plan for delivery in Year 3.	Gross Saving Implementation Costs Net Annual Saving	0 0 0	0 0 0	-35 -35 -35	-35 -35 -35	-35 -35 -35
ECS1_C25		Potential shared services with other local authorities (EC&S)	Charlie Penman/Jane Nicklen	Thinkpiece and outcomes from Joint Director's meeting, being worked up into a project plan for Year 2 delivery.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	0 0 0	-450 450 0	-450 -450 -450	-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. Scoping review of funding organisations and first organisations ongoing through key officers working group.	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.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-385 274 -111	-578 -578 -578	-578 -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. £130k shortfall met from Teachers Protection Grant. Change control doc completed.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-166 -166 -166	-250 -250 -250	-250 -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	60% savings could be achieved through savings on 1st 5 days casual cover at Sc 1. £130k shortfall met from Teachers Protection Grant. Change control doc completed.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-112 -112 -112	-168 -168 -168	-168 -168 -168	-168 -168 -168	-168 -168 -168
ECS1_C20		Educational Psychology: Do not fill current vacant posts	Patricia Cassidy/Bill O'Hara	Saving achieved.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-168 -168 -168	-168 -168 -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	Saving achieved. 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.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-53 -53 -53	-80 -80 -80	-80 -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.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-177 -177 -177	-265 -265 -265	-265 -265 -265	-265 -265 -265	-265 -265 -265
ECS_E32		Pensions Reduction: No Contribution for temporary promoted posts	David Leng	£26k saving delivered. Information is awaited from SSPA as to whether position can be sustained.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-26 -26 -26	-26 -26 -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.	Gross Saving Implementation Costs Net Annual Saving	0 0 0	0 0 0	-1,849 1,011 -838	-2,773 -2,773 -2,773	-1,457 -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.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-321 160 -161	-521 -521 -521	-521 -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.	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 -1,867	-1,867 -1,867 -1,867
ECS_E24		Reduce Pupil Support Assistants Provision by 33% in Secondary 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.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-437 455 18	-655 -655 -655	-655 -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	Saving achieved August 2011 and subject to monthly monitoring.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-400 233 -167	-600 -600 -600	-600 -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	Saving achieved August 2011 and subject to monthly monitoring.	Gross Saving Implementation/Redundancy Costs Net Annual Saving	-333 -333 -333	-500 -500 -500	-500 -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 September 2011		Year to Date			Forecast to Year End		
Accounting Period 6	Full Year Revised Budget	Revised Budget	Actual Expenditure	Variance Amount	Outturn	Variance Amount	Variance Percent
	£'000	£'000	£'000	£'000	£'000	£'000	%
Head of Service - Communities, Culture & Sport	34,204	14,621	12,908	(1,713)	34,469	265	0.8%
Head of Service - Schools and Educational Services	142,002	70,014	68,685	(1,329)	142,321	319	0.2%
Head of Service - Policy & Performance	4,344	1,737	1,219	(518)	4,344	0	0.0%
TOTAL BUDGET	180,550	86,372	82,811	(3,561)	181,134	584	0.3%

ABERDEEN CITY COUNCIL
REVENUE MONITORING 2011/2012
SERVICE : Communities, Culture & Sport
DIRECTORATE :Education Culture & Sport

HEAD OF SERVICE : P Cassidy

AS AT	30 September 2011	ANNUAL BUDGET	BUDGET TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	TOTALS	VARIANCE	
ACCOUNTING PERIOD 6		£'000	£'000	£'000	£'000	£'000	£'000	%
STAFF COSTS		12,215	6,507	6,358	(149)	12,175	(40)	-0.3%
PROPERTY COSTS		3,059	1,504	1,413	(91)	3,059	0	0.0%
ADMINISTRATION COSTS		642	258	169	(89)	642	0	0.0%
TRANSPORT COSTS		354	177	75	(102)	354	0	0.0%
SUPPLIES & SERVICES		5,106	2,553	1,470	(1,083)	5,206	100	2.0%
COMMISSIONING SERVICES		3,359	1,680	1,437	(243)	3,489	130	3.9%
TRANSFER PAYMENTS TOTAL		9,318	4,659	4,725	66	9,318	0	0.0%
CAPITAL FINANCING COSTS		5,579	0	0	0	5,579	0	0.0%
GROSS EXPENDITURE		39,632	17,338	15,647	(1,691)	39,822	190	0.5%
LESS: INCOME								
GOVERNMENT GRANTS		(192)	(96)	(838)	(742)	(192)	0	0.0%
OTHER GRANTS		(82)	(46)	(464)	(418)	(82)	0	0.0%
FEES & CHARGES		(2,374)	(1,187)	(962)	225	(2,374)	0	0.0%
RECHARGES		(363)	(180)	0	180	(328)	35	-9.6%
OTHER INCOME		(2,417)	(1,208)	(475)	733	(2,377)	40	-1.7%
TOTAL INCOME		(5,428)	(2,717)	(2,739)	(22)	(5,353)	75	-1.4%
NET EXPENDITURE		34,204	14,621	12,908	(1,713)	34,469	265	0.8%

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

BUDGET TO DATE MONITORING VARIANCE NOTES

Staff Costs

It should be noted that £70K of this underspend relates to catering operations at Provost Skene House and the Maritime Museum, where year to date deficits have arisen.

(40)

Supplies & Service

Whilst year to date expenditure is £1.2M less 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) and CLD Management funds of £1M.

100

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 £470K, of which £130K 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.

130

Government Grants

The bulk of the additional Income of £740K reflects the expected additional expenditure within Supplies & Services.

Other Grants

The bulk of the additional Income of £420K 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.

35

Year to date Income in respect of catering at the Art Gallery, Provost Skene House and the Maritime Museum is £30K 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 £30K 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

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ABERDEEN CITY COUNCIL
REVENUE MONITORING 2011/2012

DIRECTORATE : Education Culture & Sport
SERVICE : Schools and Educational Services
HEAD OF SERVICE : D Leng

AS AT	30 September 2011	ANNUAL BUDGET	BUDGET TO DATE			PROJECTION TO YEAR END		
			PLANNED	ACTUAL	VARIANCE	TOTALS	VARIANCE	
ACCOUNTING PERIOD 6	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
STAFF COSTS	101,794	51,745	48,987	(2,758)	101,654	(140)	-0.1%	
PROPERTY COSTS	26,836	14,595	15,020	425	27,396	560	2.1%	
ADMINISTRATION COSTS	429	215	169	(46)	429	0	0.0%	
TRANSPORT COSTS	2,864	1,432	1,594	162	2,964	100	3.5%	
SUPPLIES & SERVICES	5,240	2,620	1,308	(1,312)	5,140	(100)	-1.9%	
COMMISSIONING SERVICES	2,485	1,243	1,391	148	2,585	100	4.0%	
TRANSFER PAYMENTS	2,281	1,140	1,214	74	2,231	(50)	-2.2%	
CAPITAL FINANCING COSTS	6,097	0	0	0	6,097	0	0.0%	
GROSS EXPENDITURE	148,026	72,990	69,683	(3,307)	148,496	470	0.3%	
LESS: INCOME								
GOVERNMENT GRANTS	(1,573)	(766)	(292)	474	(1,723)	(150)	9.5%	
OTHER GRANTS	(130)	(65)	(65)	0	(130)	0	0.0%	
FEES & CHARGES	(903)	(436)	(386)	50	(903)	0	0.0%	
RECHARGES	(94)	(47)	0	47	(94)	0	0.0%	
OTHER INCOME	(3,325)	(1,662)	(255)	1,407	(3,325)	0	0.0%	
TOTAL INCOME	(6,025)	(2,976)	(998)	1,978	(6,175)	(150)	2.5%	
NET EXPENDITURE	142,002	70,014	68,685	(1,329)	142,321	320	0.2%	

VIREMENT PROPOSALS

None this cycle

BUDGET TO DATE MONITORING VARIANCE NOTES

Staff Costs

The annual roll change in August indicates additional teaching staffing expenditure of £440k. This will be funded from an additional grant recently notified to the service. 440

There are forecast to be annual staffing savings of £450K in respect of Probationer Teachers budget. (450)

There are forecast to be annual staffing savings of £130K in respect of Escorts and the Education Managers (130)

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. 560

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

Supplies & Services

The main reasons for the variance relate to a previous years underspend on Determined to Succeed (£200k) plus the Schools Protection Grant (£307K) has not yet been fully committed. An examination of catering related costs for 2010/11 against the current year budget has indicated an underspend of £100k. (100)

Commissioning Services

Year to date expenditure reflects payments made for pre school providers. It should also be noted that based upon previous years charges, this budget is likely to be overspent by £100K. 100

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)

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 £300k of the year to date variance. An additional grant in respect of a Scottish Government underspend for the Teachers Induction Scheme has also been included within the forecast. (150)

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

PROJECTED
VARIANCE
£'000

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

**DIRECTORATE : Education Culture & Sport
SERVICE : Policy and Performance
HEAD OF SERVICE : C Penman**

AS AT 30 September 2011	ANNUAL BUDGET	BUDGET TO DATE			PROJECTION TO YEAR END		
		PLANNED	ACTUAL	VARIANCE	TOTALS	VARIANCE	
	£'000	£'000	£'000	£'000	£'000	£'000	%
ACCOUNTING PERIOD 6							
STAFF COSTS	2,070	1,035	922	(113)	2,070	0	0.0%
PROPERTY COSTS	454	360	243	(117)	454	0	0.0%
ADMINISTRATION COSTS	405	201	111	(90)	405	0	0.0%
TRANSPORT COSTS	41	20	22	2	41	0	0.0%
SUPPLIES & SERVICES	681	340	118	(222)	681	0	0.0%
COMMISSIONING SERVICES	0	0	0	0	0	0	0.0%
TRANSFER PAYMENTS	1	0	0	0	1	0	0.0%
CAPITAL FINANCING COSTS	1,140	0	0	0	1,140	0	0.0%
GROSS EXPENDITURE	4,792	1,956	1,416	(540)	4,792	0	0.0%
LESS: INCOME							
GOVERNMENT GRANTS	(10)	0	0	0	(10)	0	0.0%
OTHER GRANTS	0			0	0	0	0.0%
FEES & CHARGES	(10)	(6)	(3)	3	(10)	0	0.0%
RECHARGES	(394)	(197)	(164)	33	(394)	0	0.0%
OTHER INCOME	(34)	(16)	(30)	(14)	(34)	0	0.0%
TOTAL INCOME	(448)	(219)	(197)	22	(448)	0	0.0%
NET EXPENDITURE	4,344	1,737	1,219	(518)	4,344	0	0.0%

VIREMENT PROPOSALS

None this cycle

PROJECTED
VARIANCE
£'000

BUDGET TO DATE MONITORING VARIANCE NOTES

Staff Costs

The year to date underspend reflects a year to date underspend in the Phoenix Project due to delays in recruitment of appropriate staff plus the directorate holding posts vacant in order to meet staffing savings targets, 0

Premises Costs

The main reason for the year to date underspend of £65K in relation to School Security. 0

Administration costs

The main areas of underspend within this heading relates to Curricular Staff Development (£20K), Childrens Service Development Budget (£20K) and Disclosure Scotland Checks (£20K) 0

Supplies & Services

The main areas of underspend are the 3Rs Development fund (£60K), Disability Adjustment works (£50K) and ICT Masterclasses (£60K). It is understood that work in respect of modifying rooms in 5 schools for the August roll intake were commissioned. These costs will be set against the 3R's Development Programme monies.

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.