

NORTH LANARKSHIRE COUNCIL

REPORT

To: Education Committee	Subject 2000/2001 BUDGET MONITORING REPORT PERIOD 01/04/2000 – 10/12/2000 EDUCATION DEPARTMENT
From: Director of Education	
Date:	
Ref: MON/CP/FG/AMcG	

**Purpose of Report**

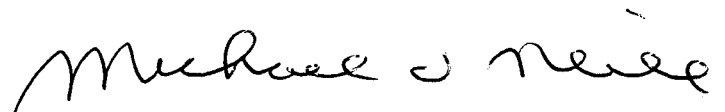
This report compares actual expenditure and income against estimates both for the year to date and the projected outturn. Explanations are provided for the major outturn variances.

**Recommendations**

It is recommended that the Committee note the contents of this report.

Members wishing further information please contact:

Michael O'Neill, Director of Education on 01236 812336 or  
Christine Pollock, Depute Director of Education on 01236 812338



**NORTH LANARKSHIRE COUNCIL**

**REPORT**

To: Education Committee	Subject: <b>2000/2001 Budget Monitoring Report</b>  <b>Period 01/04/2000 – 10/12/2000</b> <b>EDUCATION DEPARTMENT</b>
From: Director of Education	
Date: 8 <sup>th</sup> January, 2001	
Ref: CM.EDUC	

**1. INTRODUCTION**

This report compares actual expenditure and income against estimates both for the year to date and the projected outturn. Explanations are provided for the major outturn variances.

**2. SUMMARY OF BUDGET VARIANCES**

The table below provides an objective analysis of the variances to date and the projected outturn, across the divisions that are included within the Education department.

<b>Division of Service Analysis</b>	<b>Budget to Date (£)</b>	<b>Actual to Date (£)</b>	<b>Variance to Date (£)</b>	<b>Expected Outturn (£)</b>
Early Years	3,385,755	2,562,839	822,916	<b>84,315 Underspend</b>
Primary Schools	45,775,943	44,636,325	1,139,618	<b>(25,801) Overspend</b>
Secondary Schools	50,680,057	50,951,998	(271,941)	<b>175,332 Underspend</b>
Special Schools	7,657,276	6,969,369	687,907	<b>(568,254) Overspend</b>
Other Education Heads	7,384,024	6,943,042	440,982	<b>334,408 Underspend</b>
<b>Total</b>	<b>114,883,055</b>	<b>112,063,573</b>	<b>2,819,482</b>	<b>0</b>

### 3. **EXPLANATION OF MAJOR VARIANCES**

#### 3.1 **Early Years**

a) **Employee Costs** **Underspend £421,279**

The agreed teachers pay award has resulted in a projected underspend of £10,431 for teacher salaries. A review of the average salary costs for teachers shows a likely overspend based on the November payroll data. It is anticipated that this could result in an overspend of £15,565 if the average is consistent throughout the financial year. The average salary will continue to be reviewed throughout the financial year and members will be advised of changes as they materialise. Further savings can be anticipated as follows:

- (i) strike action should realise a saving of £4,000
- (ii) lower than anticipated uptake of 3 year old places will result in fewer demands for staff posts – teachers £147,000; APT & C £275,413. These savings are offset by reduced grant income.

b) **Property Costs** **Underspend £55,449**

As a result of some nursery establishments opening later than originally budgeted for, an underspend of £60,000 in Contract Cleaning costs are expected. In addition, an underspend of £15,449 has been realised due to over-provided Non-Domestic Rates charges in the Early Years sector. These underspends are, however, offset by additional contract costs associated with the implementation of single status agreements which are anticipated to cost £20,000.

c) **Payments to Other Bodies** **Underspend £50,757**

Commission payments to partner organisations will be underspent by £50,757.

d) **Income** **Under Recovery £443,170**

Early Years Grant income will be less than forecast creating an under recovery of £443,170.

#### 3.2 **Primary Schools**

a) **Employee Costs** **Underspend £81,753**

The agreed teachers pay award has resulted in a projected underspend for teachers salaries of £215,031. A review of the average salary costs based on November salary payments shows an average higher than budgeted which could result in an overspend of £122,924 if the value is consistent across the financial year. Pupil roll adjustments will result in an overspend of £23,801.

### 3.2 Primary Schools (cont'd)

#### a) Employee Costs (cont'd)

Management action has been put in place to reduce spend in teachers by £74,189 and premature retirement costs by £102,000. Further management action will realise savings of £42,000 in APT & C costs with £10,238 additionally arising from industrial action. Costs for manual workers are forecast to be £25,000 higher than planned, compensated for by an underspend in secondary sector.

Additional teaching posts allocated to smooth the transitional arrangements for recently amalgamated schools will result in an overspend in teaching costs of approximately £189,962 which is fully funded from anticipated underspends in property costs following rationalisation.

#### b) Property Costs **Underspend £14,436**

An underspend of £41,000 has been realised for Non-Domestic Rates charges. Expenditure on property costs is expected to fall by £189,962 following school rationalisation, this is offset by additional teaching costs in amalgamated schools. Management action in terms of overtime for janitors should reduce costs by £20,000 and further savings should arise following industrial action by Community Services employees estimated to be £15,025.

These underspends are, however, offset by the following overspends:-

- i) Additional costs are anticipated in contract areas following the implementation of single status agreements, this is anticipated to be £120,000.
- ii) Energy costs have increased, in particular heating oil, which should lead to an overspend of £78,000.
- iii) Property Insurance premiums have exceeded budget by £53,551.

#### c) Transport & Plant **Overspend £90,000**

An overspend of £90,000 is anticipated in payments to Strathclyde Passenger Transport for the transporting of mainstream pupils.

#### d) Other Expenditure **Overspend £32,000**

Increased demand for Footwear and Clothing Grants will result in an overspend estimated at £32,000.

### 3.3 Secondary Schools

a) **Employee Costs** **Underspend £92,376**

The agreed teachers pay award has resulted in a projected underspend for teachers salaries of £271,472. A review of the average salary costs based on November salary payments shows an average higher than budgeted which could result in an overspend of £618,010 if the value is consistent across the financial year. Pupil roll adjustments will result in a underspend of £167,543.

Management action to delay filling posts for both teaching and non teaching staff is planned to realise compensating underspends of £89,104 for teachers and £87,267 for Manual Workers. Further savings are anticipated from management action to reduce expenditure this financial year in early retirement payments to the value of £80,000 and from reduced payment to staff on strike of £15,000.

b) **Property Costs** **Underspend £92,956**

An underspend of £136,000 has been realised for Non-Domestic Rates charges within the Secondary sector. In addition, Property Insurance premiums have fallen short of budget expectations in this sector by £17,956. Management action is in place to reduce overtime needs in janitor contracts expected to result in a £30,000 underspend, and savings are anticipated from strike action of £30,000. Also, an underspend of £35,000 is expected in the recharge from Community Services for Grounds Maintenance.

These underspends are partially offset by the following :-

- i) It is anticipated that additional charges will be processed for contract services as a result of implementing the single status agreement; an estimated value of £60,000 is predicted for this overspend at this stage.
- ii) A further overspend is forecast in energy costs mainly as a result of higher than anticipated costs for heating oil, this could result in an overspend of £96,000.

c) **Supplies and Services** **Underspend £60,000**

An underspend of £60,000 is predicted for school milk provision.

d) **Transport & Plant** **Overspend £40,000**

An overspend of £40,000 is anticipated in payments to Strathclyde Passenger Transport for the transporting of mainstream pupils.

e) **Other Expenditure** **Overspend £30,000**

Increased demand for Footwear and Clothing Grants will result in an overspend estimated at £30,000.

### 3.4 Special Schools

a) Employee Costs **Underspend £231,011**

The agreed teachers pay award has resulted in a projected underspend for teachers salary costs of £27,120, partially offset by an overspend forecast following review of the average salary of £999. Further underspends are forecast arising from management action to generate savings in teachers £184,662; teachers premature retirement costs £16,228. Further savings are anticipated from strike action at £4,000.

b) Property Costs **Overspend £68,763**

An overspend of £47,521 has been realised for Non-Domestic Rates charges. Additional costs are estimated at £20,000 associated with contact services as a result of implementing the single status agreement. Finally, Property Insurance premium charges have exceeded budget by £1,242.

c) Transport Costs **Overspend £380,000**

An overspend of £380,000 is estimated relative mainly to private hire transport, arising as a result of increased demand.

d) Payment to Other Agencies **Overspend £153,686**

Payments to independent schools is anticipated to exceed budget by £71,046 and inter authority payments are forecast to exceed budget by £82,640.

e) Other Expenditure **Overspend £7,100**

Increased demand for Footwear and Clothing Grants will result in an overspend of £7,100.

f) Income **Under Recovery £189,716**

The likely income received from inter authority recharges is forecast to be £189,716 less than budget. The volume of pupils imported from other authorities is reducing as other authorities make their own provision.

### 3.5 Special Educational Needs

a) Employee Costs **Underspend £77,772**

The agreed teachers pay award has resulted in a projected underspend for teachers salaries of £16,408 and management action is expected to reduce costs further by £44,264. A further underspend is forecast at £17,100 following a review of the average salary costs for teachers.

### 3.5 Special Educational Needs (cont'd)

b) Supplies and Services **Underspend £603**

Management action to reduce expenditure on supplies should realise savings of £603.

### 3.6 Other Education Heads

a) Employee Costs **Underspend £198,799**

The agreed teachers pay award has resulted in a projected underspend for teachers salaries of £11,299, management action will be taken to reduce teachers' costs further by £15,000 and additional savings estimated at £2,000 are forecast from strike action. Management Action in APT&C staffing will realise underspends of £170,500.

b) Property Costs **Overspend £17,744**

An overspend of £17,744 has been realised for Non-Domestic Rates Charges.

c) Administration Costs **Underspend £26,978**

Insurance premiums paid have fallen short of budget expectations .

d) Payments to Other Bodies **Underspend £18,000**

Payments for copyright agreements are anticipated to be £18,000 less than budgeted.

e) Income **Over Recovery £30,000**

The income target for the Quality Development service is forecast to exceed the target by £30,000.

## 4. Management Summary

This report highlights a number of areas where expenditure cannot be managed within the budget value, often because these costs are demand led. Forecasts will be reviewed on an on-going basis and management action will be reconsidered.

## 5. Financial Concurrence

The Director of Finance concurs with the financial information contained in this report and has been fully involved in its preparation.

6. **Recommendation**

It is recommended that the Committee note the contents of this report.

Director Of Education



NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 10 December 2000

COMMITTEE : EDUCATION

SERVICE : EDUCATION SUMMARY

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE	ACTUAL TO DATE	YEAR TO DATE VARIANCES		(6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES		(10)
		£	£	£					£	£	
1.	EMPLOYEE COSTS	86,694,226	84,402,455	2,291,771	Underspend	2.64%	132,283,584	131,180,585	1,102,999	Underspend	0.83%
2.	PROPERTY COSTS	15,755,869	15,480,684	275,185	Underspend	1.75%	27,179,443	27,103,109	76,334	Underspend	0.28%
3.	SUPPLIES AND SERVICES	7,059,188	6,787,577	271,611	Underspend	3.85%	12,233,527	12,172,923	60,604	Underspend	0.50%
4.	TRANSPORT & PLANT	3,550,282	3,555,383	(5,101)	Overspend	-0.14%	5,348,180	5,858,180	(510,000)	Overspend	-9.54%
5.	ADMINISTRATION COSTS	1,096,157	1,144,086	(47,929)	Overspend	-4.37%	1,739,192	1,712,214	26,978	Underspend	1.55%
6.	PAYMENTS TO OTHER BODIES	5,056,050	4,959,883	96,167	Underspend	1.90%	11,074,074	11,159,003	(84,929)	Overspend	-0.77%
7.	OTHER EXPENDITURE	1,738,689	1,186,509	552,180	Underspend	31.76%	2,443,838	2,512,938	(69,100)	Overspend	-2.83%
8.	APPORTIONED EXPENSES	305,982	305,982	0	Underspend	0.00%	2,708,870	2,708,870	0		0.00%
9.	CAPITAL FINANCING COSTS	0	1,436,059	(1,436,059)	Overspend	0.00%	22,510,253	22,510,253	0		0.00%
10.	TOTAL EXPENDITURE	121,256,443	119,258,618	1,997,825	Underspend	1.65%	217,520,961	216,918,075	602,886	Underspend	0.28%
11.	INCOME	6,373,388	7,195,045	821,657	Over-recovered	12.89%	22,845,476	22,242,590	(602,886)	Under-Recovery	-2.64%
12.	NET EXPENDITURE	114,883,055	112,063,573	2,819,482	Underspend	2.45%	194,675,485	194,675,485	0	Underspend	0.00%

NORTH LAWKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 10 December 2000

SERVICE: EARLY YEARS SERVICE

COMMITTEE : EDUCATION

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)			ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	PROJECTED OUTTURN VARIANCES (9)		
		£	£	£					£	£	
1.	EMPLOYEE COSTS	4,869,485	4,375,046	494,439	Underspend	10.2%	7,438,838	7,017,559	421,279	Underspend	5.66%
2.	PROPERTY COSTS	350,852	517,254	(166,402)	Overspend	-47.4%	1,307,752	1,252,303	55,449	Underspend	4.24%
3.	SUPPLIES AND SERVICES	199,562	195,025	4,537	Underspend	2.3%	312,710	312,710	0		0.00%
4.	TRANSPORT & PLANT	105,467	83,696	21,771	Underspend	20.6%	169,490	169,490	0		0.00%
5.	ADMINISTRATION COSTS	60,721	49,302	11,419	Underspend	18.8%	108,340	108,340	0		0.00%
6.	PAYMENTS TO OTHER BODIES	841,428	903,162	(61,734)	Overspend	-7.3%	1,320,548	1,269,791	50,757	Underspend	3.84%
7.	OTHER EXPENDITURE	353,281	57,585	295,696	Underspend	83.7%	510,890	510,890	0		0.00%
8.	APPORTIONED EXPENSES	21,052	21,052	0	Underspend	0.0%	66,178	66,178	0		0.00%
9.	CAPITAL FINANCING COSTS	0	1,176	(1,176)	Overspend	0.0%	0	0	0		
10.	TOTAL EXPENDITURE	6,801,848	6,203,298	598,550	Underspend	8.8%	11,234,746	10,707,261	527,485	Underspend	4.70%
11.	INCOME	3,416,093	3,640,459	224,366	Over-recovered	6.6%	6,950,527	6,507,357	(443,170)	Under-recovery	-6.38%
12.	NET EXPENDITURE	3,385,755	2,562,839	822,916	Underspend	24.3%	4,284,219	4,199,904	84,315	Underspend	1.97%

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NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 10 December 2000

SERVICE : PRIMARY SCHOOLS

COMMITTEE : EDUCATION

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	VARIANCES (9)		(10)
		£	£	£		%	£	£	£		%
1.	EMPLOYEE COSTS	32,149,822	31,922,377	227,445	Underspend	0.71%	49,182,170	49,100,407	81,763	Underspend	0.17%
2.	PROPERTY COSTS	7,815,938	7,474,291	341,647	Underspend	4.37%	13,590,698	13,576,262	14,436	Underspend	0.11%
3.	SUPPLIES AND SERVICES	3,655,215	3,191,935	463,280	Underspend	12.67%	6,020,718	6,020,718	0		0.00%
4.	TRANSPORT & PLANT	1,978,204	1,910,108	68,096	Underspend	3.44%	1,472,590	1,562,590	(90,000)	Overspend	-6.11%
5.	ADMINISTRATION COSTS	237,536	308,273	(70,737)	Overspend	-29.78%	407,259	407,259	0		0.00%
6.	PAYMENTS TO OTHER BODIES	416,843	344,426	72,417	Underspend	17.37%	1,837,935	1,837,935	0		0.00%
7.	OTHER EXPENDITURE	555,738	572,636	(16,898)	Overspend	-3.04%	686,392	718,392	(32,000)	Overspend	-4.66%
8.	APPORTIONED EXPENSES	82,518	82,518	0		0.00%	1,203,304	1,203,304	0		0.00%
9.	CAPITAL FINANCING COSTS	0	36,950	(36,950)	Overspend	0.00%	122,933	122,933	0		
10.	TOTAL EXPENDITURE	46,891,814	45,843,514	1,048,300	Underspend	2.24%	74,523,999	74,549,800	(25,801)	Overspend	-0.03%
11.	INCOME	1,115,871	1,207,189	91,318	Over-recovered	8.18%	7,079,156	7,079,156	0		0.00%
12.	NET EXPENDITURE	45,775,943	44,636,325	1,139,618	Underspend	2.49%	67,444,843	67,470,644	(25,801)	Overspend	-0.04%

NORTH LARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 10 December 2000

SERVICE : SECONDARY SCHOOLS

COMMITTEE : EDUCATION

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	VARIANCES (9)		(10)
		£	£	£			£	£	£		
1.	EMPLOYEE COSTS	39,240,378	38,427,311	813,067	Underspend	2.07%	59,855,634	59,763,258	92,376	Underspend	0.15%
2.	PROPERTY COSTS	7,103,699	7,089,794	13,905	Underspend	0.20%	11,315,859	11,222,903	92,956	Underspend	0.82%
3.	SUPPLIES AND SERVICES	2,618,363	2,883,082	(264,719)	Overspend	-10.11%	4,983,419	4,923,419	60,000	Underspend	1.20%
4.	TRANSPORT & PLANT	180,534	147,557	32,977	Underspend	18.27%	1,574,220	1,614,220	(40,000)	Overspend	-2.54%
5.	ADMINISTRATION COSTS	222,134	276,484	(54,350)	Overspend	-24.47%	384,390	384,390	0		0.00%
6.	PAYMENTS TO OTHER BODIES	1,552,562	1,698,762	(146,200)	Overspend	-9.42%	3,520,331	3,520,331	0		0.00%
7.	OTHER EXPENDITURE	742,676	511,399	231,277	Underspend	31.14%	1,053,462	1,083,462	(30,000)	Overspend	-2.85%
8.	APPORTIONED EXPENSES	94,354	94,354	0	Underspend	0.00%	1,135,491	1,135,491	0		0.00%
9.	CAPITAL FINANCING COSTS	0	1,362,769	(1,362,769)	Overspend	0.00%	537,320	537,320	0		
10.	TOTAL EXPENDITURE	51,754,700	52,491,512	(736,812)	Overspend	-1.42%	84,360,126	84,184,794	175,332	Underspend	0.21%
11.	INCOME	1,074,643	1,539,514	464,871	Over-recovered	43.26%	4,768,686	4,768,686	0		0.00%
12.	NET EXPENDITURE	50,680,057	50,951,998	(271,941)	Overspend	-0.54%	79,591,440	79,416,108	175,332	Underspend	0.22%

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 10 December 2000

COMMITTEE : EDUCATION

SERVICE : SPECIAL SCHOOLS

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	VARIANCES (9)		(10)
		£	£	£	%		£	£	£	%	
1.	EMPLOYEE COSTS	4,328,794	3,949,994	378,800	Underspend	8.75%	6,571,331	6,340,320	231,011	Underspend	3.52%
2.	PROPERTY COSTS	400,395	328,066	72,329	Underspend	18.06%	751,243	820,006	(68,763)	Overspend	-9.15%
3.	SUPPLIES AND SERVICES	356,109	278,750	77,359	Underspend	21.72%	565,380	565,380	0	Underspend	0.00%
4.	TRANSPORT & PLANT	1,074,255	1,227,545	(153,290)	Overspend	-14.27%	1,750,240	2,130,240	(380,000)	Overspend	-21.71%
5.	26 ADMINISTRATION COSTS	22,631	26,287	(3,656)	Overspend	-16.15%	38,130	38,130	0		0.00%
6.	PAYMENTS TO OTHER BODIES	1,966,182	1,657,479	308,703	Underspend	15.70%	3,755,840	3,909,526	(153,686)	Overspend	-4.09%
7.	OTHER EXPENDITURE	38,054	31,793	6,261	Underspend	16.45%	54,983	62,083	(7,100)	Overspend	-12.91%
8.	APPORTIONED EXPENSES	14,511	14,511	0		0.00%	154,947	154,947	0		0.00%
9.	CAPITAL FINANCING COSTS	0	0	0		0.00%	0	0	0		0.00%
10.	TOTAL EXPENDITURE	8,200,931	7,514,425	686,506	Underspend	8.37%	13,642,094	14,020,632	(378,538)	Overspend	-2.77%
11.	INCOME	543,655	545,056	1,401	Over-recovered	0.26%	2,394,249	2,204,533	(189,716)	Under-Recovery	-7.92%
12.	NET EXPENDITURE	7,657,276	6,969,369	687,907	Underspend	8.98%	11,247,845	11,816,099	(568,254)	Overspend	-5.05%

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 10 December 2000

COMMITTEE : EDUCATION

SERVICE : OTHER EDUCATION HEADS

LINE NO. (1)	DESCRIPTION (2)	BUDGET TO DATE (3)	ACTUAL TO DATE (4)	YEAR TO DATE VARIANCES (5)		(6)	ANNUAL BUDGET (7)	PROJECTED OUTTURN (8)	VARIANCES (9)		(10)
		£	£	£					£	£	
1.	EMPLOYEE COSTS	6,105,747	5,727,727	378,020	Underspend	6.19%	9,235,611	8,959,041	276,570	Underspend	2.99%
2.	PROPERTY COSTS	84,985	71,279	13,706	Underspend	16.13%	213,891	231,635	(17,744)	Overspend	-8.30%
3.	SUPPLIES AND SERVICES	229,939	238,785	(8,846)	Overspend	-3.85%	351,300	350,696	604	Underspend	0.17%
4.	TRANSPORT & PLANT	211,822	186,477	25,345	Underspend	11.97%	381,640	381,640	0		0.00%
5.	ADMINISTRATION COSTS	553,135	483,740	69,395	Underspend	12.55%	801,073	774,095	26,978	Underspend	3.37%
6.	PAYMENTS TO OTHER BODIES	279,035	356,054	(77,019)	Overspend	-27.60%	639,420	621,420	18,000	Underspend	2.82%
7.	OTHER EXPENDITURE	48,940	13,096	35,844	Underspend	73.24%	138,111	138,111	0		0.0%
8.	APPORTIONED EXPENSES	93,547	93,547	0	Underspend	0.00%	148,950	148,950	0		0.00%
9.	CAPITAL FINANCING COSTS	0	35,164	(35,164)	Overspend	0.00%	21,850,000	21,850,000	0		0.00%
10.	TOTAL EXPENDITURE	7,607,150	7,205,869	401,281	Underspend	5.28%	33,759,996	33,455,588	304,408	Underspend	0.90%
11.	INCOME	223,126	262,827	39,701	Over-recovered	17.79%	1,652,858	1,682,858	30,000	Over-recovery	1.82%
12.	NET EXPENDITURE	7,384,024	6,943,042	440,982	Underspend	5.97%	32,107,138	31,772,730	334,408	Underspend	1.04%