

NORTH LANARKSHIRE COUNCIL

REPORT

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| To: Education Committee | Subject 2000/2001 BUDGET MONITORING REPORT PERIOD 01/04/2000 – 31/03/2001 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 provisional outturn. Explanations are provided for the major outturn variances.

Recommendations

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

Michael O'Neill

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**

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| To: Education Committee | Subject: 2000/2001 Budget Monitoring Report Period 01/04/2000 - 31/03/2001 EDUCATION DEPARTMENT |
| From: Director of Education | |
| Date: May, 2001 | |
| Ref: CM.EDUC | |

1 INTRODUCTION

This report compares actual expenditure and income against estimates both for the year to date and the provisional 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 provisional outturn, across the divisions that are included within the Education department.

| Division of Service Analysis | Annual Budget (£) | Provisional Outturn (£) | Provisional Variance (£) |
|-------------------------------------|--------------------------|--------------------------------|---------------------------------|
| Early Years | 4,294,929 | 4,242,510 | 52,419 Underspend |
| Primary Schools | 67,431,844 | 67,205,316 | 226,528 Underspend |
| Secondary Schools | 79,591,649 | 79,067,888 | 523,761 Underspend |
| Special Schools | 11,214,325 | 11,718,141 | (503,816) Overspend |
| Other Education Heads | 32,138,128 | 31,477,667 | 660,461 Underspend |
| Total | 194,670,875 | 193,711,522 | 959,353 Underspend |

3 EXPLANATION OF MAJOR VARIANCES

3.1 Early Years

a) Employee Costs Underspend £193,596

The agreed teachers pay award has resulted in an underspend of £10,431 for teacher salaries. There is however, an overspend of £26,144 arising from the early implementation of the 3% pay award for Non-Teaching staff from 1st Feb 2001 which was budgeted from 1st April 2001. A review of the average salary costs for teachers shows an underspend of €7,680. Further savings have been realised as follows:

- (i) strike action has realised a saving of approximately £4,000
- (ii) lower than anticipated uptake of 3 year old places resulted in fewer demands for staff posts – teachers £98,265; former APT & C £82,864. These savings are offset by reduced grant income..
- (iii) savings due to difficulties in securing teachers for absence cover £16,500

b) Property Costs Underspend €75,449

As a result of some nursery establishments opening later than originally budgeted for, an underspend of £60,000 was realised in Contract Cleaning costs. In addition, an underspend of £15,449 has been realised due to over-provision of Non-Domestic Rates charges in the Early Years sector.

c) Payments to Other Bodies Overspend €40,635

Commission payments to partner organisations is overspent by £40,635.

d) Income Under Recovery £175,991

Early Years Grant income received was less than forecast creating an under recovery of £175,991.

3.2 Primary Schools

(a) Employee Costs **Underspend £350,557**

The agreed teachers pay award has resulted in an underspend for teachers salaries of £215,031. There is however, an overspend of £26,857 arising from early implementation of the 3% pay award for Non-Teaching staff from 1st Feb 2001. A review of the average salary shows an average higher than budgeted which resulted in an overspend of £123,243. Pupil roll adjustments resulted in a overspend of £23,801.

Management action has been put in place which reduced spend in teachers by £74,189 and premature retirement costs by £102,000. Further savings materialised due to difficulties in filling some central posts estimated at £78,000 and in securing teachers for absence cover £45,000. Additionally savings of £10,238 in APT&C costs arose from industrial action.

(b) Property Costs **Underspend £13,036**

Overtime costs for janitors reduced by £38,268 and further savings arose following industrial action by Community Services employees estimated to be £15,025.

Recharges in respect of Contract Janitors were £23,743 less than anticipated.

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

- (i) Energy costs have increased, in particular heating oil, resulting in an overspend of £43,000.
- (ii) An overspend of £21,000 has arisen for Non-Domestic Rates charges.

(c) Supplies and Services **Overspend £28,000**

Recharges in respect of contract catering were higher than anticipated resulting in an overspend of £28,000.

(d) Transport & Plant **Overspend £90,000**

An overspend of £90,000 has been incurred in payments to Strathclyde Passenger Transport for the transporting of mainstream pupils.

(e) Payments to Other Bodies **Underspend £18,935**

An underspend of £18,935 against In Service Training has arisen as a result of difficulties in obtaining absence cover staff.

(f) Other Expenditure **Overspend £38,000**

Increased demand for Footwear and Clothing Grant has resulted in an overspend of £38,000.

3.3 Secondary Schools

a) Employee Costs **Underspend €231,363**

The agreed teachers pay award has resulted in an underspend for teachers salaries of £271,472. There is however, an overspend of £26,010 arising from early implementation of the 3% pay award for Non-Teaching staff from 1st Feb 2001, A review of the average salary costs shows an average higher than budgeted resulted in an overspend of £558,014. Pupil roll adjustments resulted in a underspend of £167,543.

Management action to delay filling posts for both teaching and non teaching staff realised compensating underspends of £89,104 for teachers and £87,267 for former Manual Workers. Further savings arose from management action to reduce expenditure in early retirement payments to the value of £80,000 and from reduced payment to staff on strike of £35,000. Additionally difficulties in securing absence cover for teachers resulted in an underspend of £85,000.

b) Property Costs **Underspend €120,564**

An underspend of £68,600 has been realised for Non-Domestic Rates charges within the Secondary sector. Overtime costs for janitor contracts resulted in a £52,707 underspend. Recharges in respect of Contract Janitors were £60,257 less than anticipated.

These underspends are partially offset by an overspend of £61,000 in energy costs, arising mainly as a result of higher than anticipated costs of heating oil.

c) Supplies and Services **Underspend €15,875**

An underspend of £60,000 arose in respect of school milk provision. Recharges in respect of Contract Catering were higher than anticipated resulting in an overspend of £44,125.

d) Transport & Plant **Overspend €77,164**

An overspend of £77,164 was incurred in respect of payments to Strathclyde Passenger Transport for the transporting of mainstream pupils.

e) Payments to Other Bodies **Underspend €63,123**

An underspend in Bursaries of £33,180 arose as a result of bursary awards which were withdrawn because of failure to meet award conditions.

An underspend of £80,943 against In Service Training has arisen as a result of difficulties in obtaining absence cover staff.

An underspend in payments to SQA of £149,000 has arisen as a result of fewer examination presentations than anticipated.

3.3 Secondary Schools (Continued)

f) Other Expenditure **Overspend €30,000**

Increased demand for Footwear and Clothing Grants has resulted in an overspend of €30,000.

3.4 Special Schools

a) Employee Costs **Underspend €260,733**

The agreed teachers pay award has resulted in an underspend for teachers salary costs of £27,120. There is however, an overspend of £7,340 arising from early implementation of the 3% pay award for Non-Teaching staff from 1st Feb 2001. A review of the average salary indicates an underspend of £11,063. Further underspends arising from management action to generate savings in teachers of £184,662 and teachers premature retirement costs £16,228. Further savings of approximately £4,000 have arisen from strike action and £25,000 from difficulties in securing supply teachers for absence cover.

b) Property Costs **Overspend €15,400**

An overspend of £31,400 has been realised for additional costs of Non-Domestic Rates charges. Recharges in respect of Contract janitors were less than anticipated resulting in an underspend of £16,000.

c) Transport Costs **Overspend €436,000**

An overspend of €436,000 has been incurred due mainly to private hire transport, arising as a result of increased demand.

d) Payment to Other Agencies **Overspend €196,998**

Payments to independent schools have exceeded budget by £141,710 and inter authority payments are forecast to exceed budget by £117,298. An underspend of £62,010 against In Service Training has arisen due to difficulties in securing cover staff.

e) Other Expenditure **Overspend €7,800**

Increased demand for Footwear and Clothing Grants has resulted in an overspend of £7,800.

f) Income **Under Recovery £108,351**

The income received from inter authority recharges is £142,851 less than budget. The volume of pupils imported from other authorities has reduced as other authorities made their own provision. This under-recovery has been partially offset by unbudgeted grant income of £34,500 from Social Inclusion Fund.

3.5 Special Educational Needs

a) Employee Costs **Underspend €139,025**

The agreed teachers pay award has resulted in an underspend for teachers salaries of **£16,408** and management action reduced costs further by **£98,954**. A further underspend arose of **£23,663** following a review of the average salary costs for teachers.

3.6 Other Education Heads

a) Employee Costs **Underspend €62,717**

The agreed teachers pay award has resulted in an underspend for teachers salaries of **£11,299**. There is however, an overspend of **£16,082** arising from early implementation of the additional 3% pay award for Non-Teaching staff from 1st Feb 2001. Difficulties in tilling some teaching posts resulted in savings of **£80,000** and management action taken reduced teachers' costs further by **£15,000** and additional savings of **£2,000** arose from strike action. Management Action in former APT&C staffing realised underspends of **£170,500**.

b) Pavments to Other Bodies **Underspend €1,444**

Payments for copyright agreements were **£18,000 less** than budgeted. An underspend in Bursaries of **£53,444** arose as a result of bursary awards which were withdrawn because of failure to meet award conditions.

c) Income **Over Recovery £187,275**

The income for the Quality Development exceeded the target by **£135,000**. Unbudgeted income of **£52,275** in respect of government grant for Psychological Services was realised.

4. Management Summary

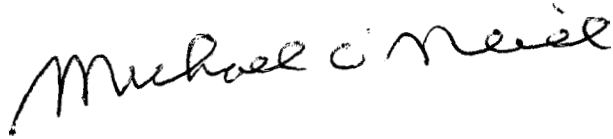
The total provisional variance is an underspend of **£959,353 (0.49%** of the total budget) which has arisen as a result of underspends in several key areas not fully anticipated at the time of the last report's preparation. Such areas include; underspends as a result of difficulties in securing supply cover, movements in average salaries, **DSO** recharges such as lower than anticipated costs of the Single Status agreement, and areas of additional income.

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.

A handwritten signature in black ink that reads "Michael C. Neill". The signature is written in a cursive style with a small dot at the end of the last letter.

Director of Education

NORTH LANARKSHIRE COUNCIL**FINANCIAL ORING REPORT****1 April 2000 to 31 March2001****COMMITTEE : EDUCATION
SERVICE : EDUCATION SUMMARY**

| LINE NO. (1) | DESCRIPTION (2) | ANNUAL BUDGET (7) | PROVISIONAL OUTTURN (8) | PROJECTED OUTTURN VARIANCES (9) | (10) |
|-----------------|--------------------------|----------------------|----------------------------|------------------------------------|---------|
| | | £ | £ | £ | % |
| 1. | EMPLOYEE COSTS | 131,581,302 | 130,143,311 | 1,437,991 Underspend | 1.099 |
| 2. | PROPERTY COSTS | 27,186,186 | 26,992,537 | 193,649 Underspend | 0.719 |
| 3. | SUPPLIES AND SERVICES | 14,171,977 | 14,184,102 | (12,125) Overspend | -0.099 |
| 4. | TRANSPORT & PLANT | 5,289,070 | 5,892,234 | (603,164) Overspend | -11.409 |
| 5. | ADMINISTRATION COSTS | 1,766,522 | 1,766,522 | 0 | 0.009 |
| 6. | PAYMENTS TO OTHER BODIES | 11,835,731 | 11,738,797 | 96,934 Underspend | 0.82% |
| 7. | OTHER EXPENDITURE | 1,994,488 | 2,051,353 | (56,865) Overspend | -2.85% |
| 8. | APPORTIONED EXPENSES | 2,708,870 | 2,708,870 | 0 | 0.009 |
| 9. | CAPITAL FINANCING COSTS | 22,496,032 | 22,496,032 | 0 | 0.00% |
| 10. | TOTAL EXPENDITURE | 219,030,178 | 217,973,758 | 1,056,420 Underspend | 0.48% |
| 11. | INCOME | 24,359,303 | 24,262,236 | (97,067) Under-Recovery | -0.40% |
| 12. | NET EXPENDITURE | 194,670,875 | 193,711,522 | 959,353 Underspend | 0.49% |

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

■ April 2000 to 31 March 2001

**COMMITTEE : EDUCATION
SERVICE: EARLY YEARS SERVICE**

| LINE NO. (1) | DESCRIPTION (2) | ANNUAL BUDGET (7) | PROVISIONAL OUTTURN (8) | PROJECTED OUTTURN VARIANCES (9) | (10) |
|-------------------------|----------------------------|------------------------------|------------------------------------|--|---------------|
| | | £ | £ | £ | % |
| 1. | EMPLOYEE COSTS | 7,191,608 | 6,998,012 | 193,596 Underspend | 2.69% |
| 2. | PROPERTY COSTS | 1,276,582 | 1,201,133 | 75,449 Underspend | 5.91% |
| 3. | SUPPLIES AND SERVICES | 562,860 | 562,860 | 0 | 0.00% |
| 4. | TRANSPORT & PLANT | 187,600 | 187,600 | 0 | 0.00% |
| 5. | ADMINISTRATION COSTS | 133,000 | 133,000 | 0 | 0.00% |
| 6. | PAYMENTS TO OTHER BODIES | 1,619,638 | 1,660,273 | (40,635) Overspend | -2.51% |
| 7. | OTHER EXPENDITURE | 433,030 | 433,030 | 0 | 0.00% |
| 8. | APPORTIONED EXPENSES | 66,178 | 66,178 | 0 | 0.00% |
| 9. | CAPITAL FINANCING COSTS | 0 | 0 | 0 | |
| 10. | TOTAL EXPENDITURE | 11,470,496 | 11,242,086 | 228,410 Underspend | 1.99% |
| 11. | INCOME | 7,175,567 | 6,999,576 | (175,991) Under-recovery | -2.45% |
| 12. | NET EXPENDITURE | 4,294,929 | 4,242,510 | 52,419 Underspend | 1.22% |

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 31 March2001

**COMMITTEE : EDUCATION
SERVICE : PRIMARY SCHOOLS**

| LINE NO. (1) | DESCRIPTION (2) | ANNUAL BUDGET (7) | PROJECTED OUTTURN (8) | VARIANCES (9) | | (10) |
|-------------------------|----------------------------|------------------------------|----------------------------------|--------------------------|-------------------|--------------|
| | | £ | E | E | | % |
| 1. | EMPLOYEE COSTS | 48,972,868 | 48,622,311 | 350,557 | Underspend | 0.72% |
| 2. | PROPERTY COSTS | 13,594,091 | 13,581,055 | 13,036 | Underspend | 0.10% |
| 3. | SUPPLIES AND SERVICES | 6,934,758 | 6,962,758 | (28,000) | Overspend | -0.40% |
| 4. | TRANSPORT & PLANT | 1,416,240 | 1,506,240 | (90,000) | Overspend | -6.35% |
| 5. | ADMINISTRATION COSTS | 386,429 | 386,429 | 0 | | 0.00% |
| 6. | PAYMENTS TO OTHER BODIES | 2,273,302 | 2,254,367 | 18,935 | Underspend | 0.83% |
| 7. | OTHER EXPENDITURE | 673,362 | 711,362 | (38,000) | Overspend | -5.64% |
| 8. | APPORTIONED EXPENSES | 1,203,304 | 1,203,304 | 0 | | 0.00% |
| 9. | CAPITAL FINANCING COSTS | 122,933 | 122,933 | 0 | | |
| 10. | TOTAL EXPENDITURE | 75,577,287 | 75,350,759 | 226,528 | Underspend | 0.30% |
| 11. | INCOME | 8,145,443 | 8,145,443 | 0 | | 0.00% |
| 12. | NET EXPENDITURE | 67,431,844 | 67,205,316 | 226,528 | Underspend | 0.34% |

NORTH LANARKSHIRE COUNCIL**FINANCIAL MONITORING REPORT****■ April 2000 to 31 March 2001****COMMITTEE : EDUCATION
SERVICE : SECONDARY SCHOOLS**

| LINE NO. (1) | DESCRIPTION (2) | ANNUAL BUDGET (7) | PROJECTED OUTTURN (8) | VARIANCES (9) | | (10) |
|-----------------|--------------------------|----------------------|--------------------------|------------------|------------|--------|
| | | £ | £ | £ | | % |
| 1. | EMPLOYEE COSTS | 59,671,434 | 59,440,071 | 231,363 | Underspend | 0.39% |
| 2. | PROPERTY COSTS | 11,360,299 | 11,239,735 | 120,564 | Underspend | 1.06% |
| 3. | SUPPLIES AND SERVICES | 5,604,519 | 5,588,644 | 15,875 | Underspend | 0.28% |
| 4. | TRANSPORT & PLANT | 1,537,110 | 1,614,274 | (77,164) | Overspend | -5.02% |
| 5. | ADMINISTRATION COSTS | 406,630 | 406,630 | 0 | | 0.00% |
| 6. | PAYMENTS TO OTHER BODIES | 3,487,721 | 3,224,598 | 263,123 | Underspend | 7.54% |
| 7. | OTHER EXPENDITURE | 742,362 | 772,362 | (30,000) | Overspend | -4.04% |
| 8. | APPORTIONED EXPENSES | 1,135,491 | 1,135,491 | 0 | | 0.00% |
| 9. | CAPITAL FINANCING COSTS | 475,099 | 475,099 | 0 | | |
| 10. | TOTAL EXPENDITURE | 84,420,665 | 83,896,904 | 523,761 | Underspend | 0.62% |
| 11. | INCOME | 4,829,016 | 4,829,016 | 0 | | 0.00% |
| 12. | NET EXPENDITURE | 79,591,649 | 79,067,888 | 523,761 | Underspend | 0.66% |

NORTH LANARKSHIRE COUNCIL

FINANCIAL MONITORING REPORT

1 April 2000 to 31 March 2001

**COMMITTEE : EDUCATION
SERVICE : SPECIAL SCHOOLS**

| LINE NO. (1) | DESCRIPTION (2) | ANNUAL BUDGET (7) | PROJECTED OUTTURN (8) | VARIANCES (9) | | (10) |
|-----------------|--------------------------|----------------------|--------------------------|------------------|----------------|---------|
| | | £ | £ | £ | | % |
| 1. | EMPLOYEE COSTS | 6,511,641 | 6,250,908 | 260,733 | Underspend | 4.00% |
| 2. | PROPERTY COSTS | 741,753 | 757,153 | (15,400) | Overspend | -2.08% |
| 3. | SUPPLIES AND SERVICES | 699,350 | 699,350 | 0 | | 0.00% |
| 4. | TRANSPORT & PLANT | 1,777,040 | 2,213,040 | (436,000) | Overspend | -24.54% |
| 5. | ADMINISTRATION COSTS | 38,890 | 38,890 | 0 | | 0.00% |
| 6. | PAYMENTS TO OTHER BODIES | 3,790,780 | 3,987,778 | (196,998) | Overspend | -5.20% |
| 7. | OTHER EXPENDITURE | 47,423 | 55,223 | (7,800) | Overspend | -16.45% |
| 8. | APPORTIONED EXPENSES | 154,947 | 154,947 | 0 | | 0.00% |
| 9. | CAPITAL FINANCING COSTS | 0 | 0 | 0 | | 0.00% |
| 10. | TOTAL EXPENDITURE | 13,761,824 | 14,157,289 | (395,465) | Overspend | -2.87% |
| 11. | INCOME | 2,547,499 | 2,439,148 | (108,351) | Under-Recovery | -4.25% |
| 12. | NET EXPENDITURE | 11,214,325 | 11,718,141 | (503,816) | Overspend | -4.49% |

FINANCIAL MONITORING REPORT**1 April 2000 to 31 March 2001****COMMITTEE : EDUCATION
SERVICE : OTHER EDUCATION HEADS**

| LINE NO. (1) | DESCRIPTION (2) | ANNUAL BUDGET (7) | PROJECTED OUTTURN (8) | VARIANCES (9) | | (10) |
|-----------------|--------------------------|----------------------|--------------------------|------------------|---------------|--------|
| | | £ | £ | £ | | % |
| 1. | EMPLOYEE COSTS | 9,233,751 | 8,832,009 | 401,742 | Underspend | 4.35% |
| 2. | PROPERTY COSTS | 213,461 | 213,461 | 0 | | 0.00% |
| 3. | SUPPLIES AND SERVICES | 370,490 | 370,490 | 0 | | 0.00% |
| 4. | TRANSPORT & PLANT | 371,080 | 371,080 | 0 | | 0.00% |
| 5. | ADMINISTRATION COSTS | 801,573 | 801,573 | 0 | | 0.00% |
| 6. | PAYMENTS TO OTHER BODIES | 664,290 | 592,846 | 71,444 | Underspend | 10.75% |
| 7. | OTHER EXPENDITURE | 98,311 | 98,311 | 0 | | 0.0% |
| 8. | APPORTIONED EXPENSES | 148,950 | 148,950 | 0 | | 0.00% |
| 9. | CAPITAL FINANCING COSTS | 21,898,000 | 21,898,000 | 0 | | 0.00% |
| 10. | TOTAL EXPENDITURE | 33,799,906 | 33,326,720 | 473,186 | Underspend | 1.40% |
| 11. | INCOME | 1,661,778 | 1,849,053 | 187,275 | Over-recovery | 11.27% |
| 12. | NET EXPENDITURE | 32,138,128 | 31,477,667 | 660,461 | Underspend | 2.06% |