

REPORT TO: SPECIAL EDUCATION COMMITTEE - 14 FEBRUARY 2002

REPORT ON: REVENUE BUDGET 2002/03 AND 2003/04

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 136-2002

1 PURPOSE OF REPORT

To consider the Education Department Provisional 2002/03 and 2003/04 Revenue Budget as submitted in the Provisional Revenue Budget volume which was issued earlier, and any adjustments proposed in this report.

2 RECOMMENDATIONS

2.1 The Special Education Committee is asked to approve the procedure for consideration of the Education Department's 2002/03 and 2003/04 Revenue Budgets set out in Appendix A.

2.2 The Special Education Committee is asked to note the adjustments detailed in Appendix B to this report.

3 LOCAL AGENDA 21 IMPLICATIONS

None.

4 EQUAL OPPORTUNITIES IMPLICATIONS

None.

5 BACKGROUND

The Provisional Revenue Budget Volume 2002/03 and 2003/04 was issued by the Director of Finance on 24 December 2001. This showed a total Revenue Budget requirement of £82.796m for 2002/03 and £87.760m for 2003/04, before any adjustments or savings have been identified and agreed.

6 PROCEDURE FOR THE CONSIDERATION OF THE 2002/03 AND 2003/04 REVENUE BUDGET

The proposed procedure for consideration of the Education Department's 2002/03 and 2003/04 Revenue Budget is detailed in Appendix A.

7 BUDGET ADJUSTMENTS TO PROVISIONAL BUDGET VOLUME

Since the Provisional Revenue Budget volume was issued, the Chief Executive and Directors of Education and Finance have carried out intensive scrutiny of the Education Department's 2002/03 and 2003/04 Revenue Budgets, and a number of adjustments have been identified and these adjustments are detailed in Appendix B. The net effect of these adjustments would be to reduce the 2002/03 Revenue Budget by £422,000 to £82.374m and reduce the 2003/04 Revenue Budget by £383,000 to £87.377m.

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**DAVID K DORWARD
DIRECTOR OF FINANCE**

DATE

APPENDIX A

PROCEDURE FOR REVENUE BUDGET CONSIDERATION - 14 FEBRUARY 2002

In considering the report, all political groups, the liberal democrat member, independent member and non-elected members must table any savings proposals at the start of the meeting to enable them to be checked for legality and competence. Should any savings be proposed, a short recess may be required to enable this process to take place.

The Education Committee will then consider all of the proposals and refer them to the Policy and Resources Committee for consideration.

APPENDIX B

PROPOSED ADJUSTMENTS TO EDUCATION DEPARTMENT PROVISIONAL REVENUE BUDGET 2002/03 AND 2003/04

	<u>2002/03</u> £000	<u>2003/04</u> £000
1 <u>Excellence Fund</u>		
The Scottish Executive has now advised the Council on the level of Excellence Fund monies which will be allocated for 2002/03 and 2003/04. The consequence of this announcement is that the Education Department's Provisional Revenue Budget for expenditure <u>and</u> income have been overstated by £503,000 and £447,000 for 2002/03 and 2003/04 respectively.	(-)	(-)
2 <u>Secondary Teaching Staff</u>		
The Director of Education has reviewed the Revenue Budget provision for Secondary School Teaching costs and has confirmed that the current provision exceeds the projected staffing requirements by £150,000. This has arisen as a result of changes in pupil numbers and will be achieved through ongoing turnover of teaching staff.	(150)	(150)
3 <u>School Meals Expenditure/Income</u>		
The Director of Education and Tayside Contracts have reviewed the number of school days assumed in the Revenue Budget for school meals provision and identified that these should be reduced by 5 days to reflect the actual catering days for 2002/03 of 184.	(40)	-
4 <u>National Insurance Contributions</u>		
The Chancellor of the Exchequer in his Pre Budget statement announced proposals to reduce employers NI contributions with effect from 6 April 2002. The reduction in NI rates is subject to confirmation in the Chancellor's budget in April 2002, but it is thought a reasonable risk to include this saving in the 2002/03 and 2003/04 Revenue Budget.	(185)	(185)

	<u>2002/03</u> £000	<u>2003/04</u> £000
5 <u>Non-Domestic Rates</u>		
The Minister for Finance and Public Services recently announced that the national rate poundage for Scotland for 2002/03 be set at 47.8p. This represents a year-on-year increase of 0.8p or 1.7% and this is a saving on the level of 3% inflation which was included in the Provisional 2002/03 and 2003/04 Revenue Budget.	(31)	(32)
6 <u>APTC/Manual - Allowance for Slippage</u>		
The Director of Finance carried out a detailed exercise on the allowance that each department had assumed for turnover of non-teaching staff and any delay in filling posts, ie slippage. It was concluded that a minimum standard allowance of 1½% could be allowed and accordingly the Education Department's budget provision can be reduced by £12,000.	(12)	(12)
7 <u>Postages</u>		
The Director of Finance has reviewed the Education Department budget provision for postage in light of the greater use being made of e-mail and a saving of £4,000 can be made.	_(4)	_(4)
	<u>(422)</u>	<u>(383)</u>