

REVENUE OUTTURN 2003/04 AND BUDGET 2004/05**Report By: DIRECTOR of EDUCATION****Wards Affected**

Countywide

Purpose

1. To report on the revenue budget outturn for 2003/04 and the revenue budget estimate for 2004/05.

Financial Implications

2. As set out within the report.

Revenue Outturn 2003-04.

3. The monitoring report to the April 2004, meeting of the Committee anticipated that the Education Revenue Budget would be underspent by approximately £300,000 (0.4%). The final outturn shows an uncommitted underspend of £403,000 (0.5%), a small increase on that previously reported and as set out in Appendix 1. The total underspend of £1,415,000 includes commitments for Standards Fund (£425,000) which is accounted for on a school year basis, the schools sickness scheme (£166,000) which is an insurance scheme 'owned' by schools, ring-fenced grants for the Whitecross PFI scheme (£166,000) and a number of other smaller commitments (£257,000) thereby producing a net underspend of £403,000.
4. School budget allocations were adjusted at year end because, under the new funding arrangements Education Formula Spending Share (EFSS), unspent contingencies in the schools budget must be allocated to schools at that stage. A summary of the outturn for school budgets is shown at Appendix 2.
5. On Home to School Transport, for which budget provision had anticipated a higher level of inflation, the anticipated savings proved to be greater than projected. The improved efficiencies were the result of improved route planning and changes in the allocation of transport for students with Special Educational Needs.
6. Most other budgets show relatively small variations from the position reported in April.

Budget 2004/05

7. A copy of the Education budget for 2004-05 was included in the budget book issued by the County Treasurer and the summary is attached for information as Appendix 3.
8. The DfES calculate two main performance indicators for determining the Education budget as set out under s52 of the Standards and School Framework Act. It should be noted that Herefordshire has met both indicators for 2004-2005, namely -

- spending delegated to schools meets the target set by the DfES and
- Spending on central items is within the limit set by the DfES.

RECOMMENDATION

THAT the report on Education Revenue Outturn 2003/04 and the budget for 2004/05 be noted.

BACKGROUND PAPERS

- None identified.