

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 1 FEBRUARY 2005

**BUDGETARY CONTROL SUMMARY STATEMENT
ONSITE SERVICES UNIT
TO 12 DECEMBER 2004 (PERIOD 9)**

**Joint Report by Executive Head of Finance and
Executive Director of Educational and Social Services**

1 PURPOSE OF REPORT

- 1.1** To advise Members of the current budgetary control position and the projected out-turn for the year for the Onsite Services Business Unit for the period ended 12 December 2004 (Period 9)

2 OVERALL POSITION

- 2.1** The following report relates to service costs and income controlled by the department and includes rechargeable costs for central service charges and capital charges. The performance to date and the projected out-turn for each service is detailed separately within the report.

2.2 Projected Out-turn

The surpluses for the three Onsite Services are projected to be on target at the financial year end. The projected surpluses are Cleaning £126,000, Catering £135,000 and School Crossing Patrols £8,000, giving an overall projected surplus of £269,000 at 31 March 2005. These projections are based on all currently available information.

2.3 Cleaning Service Budget Performance to Period 9

At Period 9 there is a reported surplus of £169,000 compared to a budgeted surplus of £169,000, resulting in a nil variance.

Salary costs and other direct costs are lower than budgeted and this underspend is partially offset by an under recovery of income.

2.4 Catering Service Budget Performance to Period 9

As at Period 9 there is a surplus of £165,000 compared to a budgeted surplus of £133,000, resulting in a favourable variance of £32,000. This arises mainly from lower than budgeted salary costs and other direct costs. This is partially offset by an under recovery of income.

2.5 School Crossing Patrol Service Budget Performance to Period 9

The position at Period 9 is a surplus of £8,000 compared to a budgeted surplus of £9,000. This mainly arises from higher than budgeted salary costs.

Summary of Subjective Costs - Cleaning Service

	Actual Expend to 12-Dec-04 Period 09	Planned Expend to 12-Dec-04 Period 09	Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
	£000	£000	£000	£000	£000
INCOME	(3,778)	(3,829)	(5,530)	(5,530)	0
EXPENDITURE					
Labour Costs	3,336	3,364	4,953	4,953	0
Sub Contractors	0	0	0	0	0
Other Direct Costs	95	119	173	173	0
Overheads	178	177	279	279	0
TOTAL EXPENDITURE	3,609	3,660	5,405	5,405	0
(SURPLUS)/DEFICIT	(169)	(169)	(125)	(125)	0

2.6 Summary of Subjective Costs - Catering Service

	Actual Expend to 12-Dec-04 Period 09	Planned Expend to 12-Dec-04 Period 09	Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
	£000	£000	£000	£000	£000
INCOME	(3,228)	(3,145)	(4,543)	(4,493)	50
EXPENDITURE					
Labour Costs	1,783	1,793	2,629	2,619	(10)
Sub Contractors	0	0	0	0	0
Other Direct Costs	1,134	1,070	1,544	1,504	(40)
Overheads	146	149	235	235	0
TOTAL EXPENDITURE	3,063	3,012	4,408	4,358	(50)
(SURPLUS)/DEFICIT	(165)	(133)	(135)	(135)	0

2.7 Summary of Subjective Costs - School Crossing Patrol Service

	Actual Expend to 12-Dec-04 Period 09	Planned Expend to 12-Dec-04 Period 09	Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
	£000	£000	£000	£000	£000
INCOME	(236)	(239)	(346)	(346)	0

EXPENDITURE					
Labour Costs	205	209	308	308	0
Sub Contractors	0	0	0	0	0
Other Direct Costs	7	5	7	7	
Overheads	16	16	23	23	0
TOTAL EXPENDITURE	228	230	338	338	0
(SURPLUS)/DEFICIT	(8)	(9)	(8)	(8)	0

3. INCOME

For all units, with the exception of catering, income levels are projected to be on target for the year. There are a number of service reviews in progress within client departments which may influence the final outturn position. This is being monitored closely by the Executive Director of Educational and Social Services.

This projected under recovery of income in respect of catering is offset by a resultant saving in labour and other direct costs.

4. RECOMMENDATIONS

- 4.1 It is recommended that Members of the Education Committee note the contents of this report.

Alex McPhee
Executive Head of Finance

John Mulgrew
Executive Director of Educational and Social Services

AMcP/AR
7 January 2005

LIST OF BACKGROUND PAPERS

NIL

Members wishing further information should contact Alex McPhee, Financial Services Manager, Tel: (01563) 576848 or Robin Gourlay, Contracts Manager, Tel: (01563) 555774.

Implementation Officer Robin Gourlay, Contracts Manager