

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 31 JANUARY 2006

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 11 DECEMBER 2005 (PERIOD 9)

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

1. PURPOSE OF REPORT

- 1.1 To advise Members of the current budgetary control position and the projected out-turn for the year for Educational Services for the period ended 11 December 2005 (Period 9).

2. OVERALL POSITION

- 2.1 The following report relates to service costs and income directly controlled by the department and excludes rechargeable costs for central service charges and capital charges.

2.2 Projected Out-turn

Based on all available information it is currently projected that Educational Services will out-turn at £95,234,000 which is £899,630 greater than the annual estimate for the year.

2.3 Budget Performance to Period 9

The net expenditure to date amounts to £60,337,666 being 64% of the Annual Estimate.

The budget to date is based on a standard phasing over each period, for both expenditure and income, except for Employee Costs and where the Director of Educational and Social Services has indicated otherwise. Period variances are mainly attributable to phasing which should level out over the year, but if this is not the case, reasons for anticipated variances are highlighted below.

Summary of Objective Costs

Phased Budget to 11/12/05	Actual Exp. To 11/12/05	Act. Exp to P9 as % of Ann Est	Service Division	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
1,395,439	1,445,930	40.2%	CENTRAL ADMINISTRATION	3,593,649	3,720,699	127,050
67,450	73,586	76.1%	EDUCATION PROPERTY (NON SCHOOLS)	96,661	122,711	26,050
4,105,701	4,119,804	55.2%	PRE-FIVES	7,460,296	7,400,796	(59,500)
21,108,677	21,136,711	70.3%	PRIMARY SCHOOLS	30,054,685	30,286,475	231,790
25,497,737	25,434,326	68.6%	SECONDARY SCHOOLS	37,052,697	37,661,297	608,600
4,551,277	4,583,235	62.1%	SPECIAL EDUCATION	7,381,016	7,318,236	(62,780)
(117,763)	(78,340)	(26.4)%	OTHER EDUCATION	296,247	323,417	27,170
433,713	355,167	47.9%	PSYCHOLOGICAL SERVICES	741,365	712,185	(29,180)
318,255	192,765	23.9%	QUALITY IMPROVEMENT	806,789	797,749	(9,040)
449,563	304,854	46.6%	ARTS & CULTURE	654,885	654,885	0
1,205,745	949,821	33.3%	COMMUNITY LEARNING & DEVELOPMENT	2,856,180	3,003,150	146,970
142,136	147,647	75.4%	COMMUNITY FACILITIES	195,708	202,868	7,160
509,617	378,603	50.1%	YOUTH STRATEGY	756,018	676,908	(79,110)
740,511	497,172	45.3%	INTEGRATED COMMUNITY SCHOOLS	1,097,196	1,097,196	0
169,485	152,118	-	MODERN LANGUAGES	387,736	387,736	0
0	0	-	CHILDREN'S SERVICE FUND	0	0	0
284,265	375,165	75.0%	PPP INFRASTRUCTURE	500,000	500,000	0
269,103	269,103	66.7%	SUPPORT TO COMMUNITIES	403,242	367,692	(35,550)
61,130,911	60,337,666	64.0%	TOTAL	94,334,370	95,234,000	899,630

Summary of Subjective Costs

Phased Budget to 11/12/05	Actual Exp. To 11/12/05	Act. Exp to P9 as % of Ann Est	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
48,409,408	47,734,673	66.7%	EMPLOYEE COSTS	71,542,601	71,353,681	(188,920)
6,971,278	6,883,681	72.7%	PREMISES COSTS	9,473,623	9,714,103	240,480
2,943,272	2,896,167	66.3%	TRANSPORT COSTS	4,367,079	4,705,399	338,320
5,624,838	5,860,783	53.1%	SUPPLIES & SERVICES	11,028,092	11,118,852	90,760
3,929,500	3,937,481	54.6%	THIRD PARTY PAYMENTS	7,206,875	7,199,975	(6,900)
842,387	822,214	65.2%	TRANSFER PAYMENTS	1,261,235	1,261,235	0
68,720,683	68,134,998	65.0%	TOTAL EXPENDITURE	104,879,505	105,353,245	473,740
(7,589,772)	(7,797,332)	73.9%	INCOME	(10,545,135)	(10,119,245)	425,890
61,130,911	60,337,666	64.0%	NET EXPENDITURE	94,334,370	95,234,000	899,630

3. ANALYSIS OF VARIANCES

3.1 Position as at 11 December 2005 (Period 9)

3.1.1 Employee Costs

There is a projected net underspend of £188,920.

Savings have arisen from vacant posts and staff turnover mainly within Central Administration, Pre-fives, Community Learning and Development, Network Support and Youth Strategy.

Additional staff costs of £122,200 have been incurred for St Joseph's Academy following the merger of the twin campuses at Kilmarnock. The demand for pupils requiring Additional Support has increased within both Primary and Secondary Schools and has added additional costs of £334,900 to the employee cost projection for 2005/06.

3.1.2 Premises Related Expenditure

The projected property overspend is £240,480

Additional costs relating to inflation on energy charges amount to £396,070. This figure includes of a projected departmental saving of 5% from energy efficiency measures. Other unavoidable property costs of £144,700 have been incurred for repairs to the school estate, revised rating assessments and property lease charges.

These costs have been partially offset by £301,405 from a Scottish Water refund relating to resizing of meters.

3.1.3 Transport Related Expenditure

The projected overspend is £338,320.

The additional transport cost relates to a contractor which had its mainstream pupil transport contract terminated by SPT in mid September 2005. The additional cost arising from temporary contracts together with an anticipated cost arising from the renegotiated contracts amounts to £342,220.

This additional cost is partly offset by a net saving in transport and car allowances.

3.1.4 Supplies and Services

The projected overspend of £90,760 arises mainly from an additional cost of £48,380 for SQA fees mainly due to inflation price increases and additional Integrated Community School resource costs of £48,520 which are funded by additional income reported below.

3.1.5 Income

The projected deficit £428,890 includes expenditure reduction targets which will be partially offset by savings reported in Employee costs above.

Of this sum, £197,000 relates to Community Learning and Development. By offsetting current projected savings following the Best Value Review and other management actions a net variance of £118,580 remains. This represents the balance of expenditure reductions which has not yet been identified to date by budget holders within the Service.

A balance of £120,800 relates to the ongoing expenditure reduction measures which were required to meet the annual budget. In the Schools Sector, school meals income is expected to be under recovered by £92,960. School Meals Income levels will continue to be closely monitored and reported to Committee.

A projected under-recovery of £51,700 relates to the proposed expenditure reduction for Outdoor Education. A business plan is being considered to realise an increase in income to address this issue within 2005/06 and future years.

