

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 30 JANUARY 2007

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 10 DECEMBER 2006 (PERIOD 9)

Joint Report by Executive Director of 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 10 December 2006 (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.

2.3 Projected Out-turn

Based on all available information it is currently projected that Educational Services will out-turn at £102.371m which is £105,550 greater than the annual estimate for the year.

2.4 Budget Performance to Period 9

The net expenditure to date amounts to £62.766m being 61.4% 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 Executive 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

Actual Exp. To 10/12/06	Act. Exp to P9 as % of Ann Est	Service Division	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
674,695	21.3%	CENTRAL ADMINISTRATION	3,166,713	3,945,333	778,620
100,588	100.6%	EDUCATION PROPERTY	100,007	115,327	15,320
3,429,245	66.0%	EARLY YEARS - DEVOLVED	5,199,499	5,163,499	(36,000)
17,571,905	68.3%	PRIMARY SCHOOLS - DEVOLVED	25,719,105	25,570,155	(148,950)
21,406,658	67.1%	SECONDARY SCHOOLS - DEVOLVED	31,912,233	31,794,233	(118,000)
1,613,153	63.8%	SPECIAL EDUCATION - DEVOLVED	2,528,553	2,528,553	0
871,620	31.6%	EARLY YEARS - CENTRAL	2,756,678	2,581,138	(175,540)
1,660,925	45.7%	PRIMARY SCHOOLS - CENTRAL	3,631,732	3,706,372	74,640
2,392,553	55.0%	SECONDARY SCHOOLS - CENTRAL	4,351,991	4,135,741	(216,250)
2,796,334	53.6%	SPECIAL EDUCATION - CENTRAL	5,212,204	5,350,824	138,620
(94,220)	-31.4%	OTHER EDUCATION	300,098	220,658	(79,440)
462,028	61.7%	PSYCHOLOGICAL SERVICES	749,113	707,453	(41,660)
(58,653)	-18.3%	QUALITY IMPROVEMENT	320,270	320,270	0
395,829	59.4%	ARTS & CULTURE	666,676	666,676	0
1,861,621	56.0%	COMMUNITY LEARNING AND DEVELOPMENT	3,322,350	3,354,540	32,190
318,479	39.2%	YOUTH STRATEGY	811,733	735,233	(76,500)
904,087	65.2%	INTEGRATED COMMUNITY SCHOOLS	1,386,676	1,386,676	0
103,360	0.0%	MODERN LANGUAGES	269,300	269,300	0
(452,092)	-108.8%	CHANGING CHILDREN'S SERVICE FUND	415,443	415,443	0
353,767	109.0%	PPP INFRASTRUCTURE	324,516	404,516	80,000
6,454,483	70.8%	ONSITE	9,120,150	8,998,650	(121,500)
62,766,365	61.4%	TOTAL	102,265,040	102,370,590	105,550

Summary of Subjective Costs

Actual Exp. To 10/12/06	Act. Exp to P9 as % of Ann Est	Detail	Annual Estimate 2006/07	Projected Actual to 31/3/07	Variance (Favourable) / Adverse
53,840,241	64.9%	EMPLOYEE COSTS	83,009,502	81,930,512	(1,078,990)
4,248,426	69.4%	PREMISES COSTS	6,121,532	6,111,242	(10,290)
3,307,432	60.8%	TRANSPORT COSTS	5,443,320	5,544,790	101,470
5,377,819	57.4%	SUPPLIES & SERVICES	9,370,641	9,567,871	197,230
3,922,477	49.9%	THIRD PARTY PAYMENTS	7,860,547	7,759,417	(101,130)
728,534	62.3%	TRANSFER PAYMENTS	1,170,250	1,120,250	(50,000)
71,424,929	63.2%	TOTAL EXPENDITURE	112,975,792	112,034,082	(941,710)
(8,658,564)	80.8%	INCOME	(10,710,752)	(9,663,492)	1,047,260
62,766,365	61.4%	NET EXPENDITURE	102,265,040	102,370,590	105,550

3. ANALYSIS OF VARIANCES

3.1 Position as at 10 December 2006 (Period 9)

3.1.1 Employee Costs

There is a projected net underspend of £1.079m. Good housekeeping together with control of vacant posts and staff turnover has been imposed by management to achieve the savings to offset additional subjective costs during the year.

Savings have also arisen from basic grade average salary costs for teachers and a reduction in employers' national insurance and superannuation pension costs. Additional Scottish Executive grant funding has been received for probationer teachers.

3.1.2 Transport Related Expenditure

Additional Transport Costs totalling £0.101m are mainly for Special Education due to further demand for the transport of pupils with additional support needs.

3.1.3 Supplies and Services

Additional Supply costs of £0.197m are mainly due to additional Broadband costs and replacement of Technical Department equipment, together with planned expenditure by Onsite Services for the renewal of cleaning, janitorial and kitchen equipment.

3.1.4 Third Party Payments

The projected underspend of £0.101m. is mainly for Early Years payments to external providers of £0.075m together with a reduction in external training costs.

3.1.5 Transfer Payments

The projected underspend of £0.050m is for the reduction in the demand for bursary payments.

3.1.6 Income

The projected income deficit of £1.047m includes the sum of £0.771m representing the deficit balance, after input of the total Education budget requirements for the financial year, which has not been reallocated to date. **This has been offset by the significant employee cost savings notified above.**

Unallocated budget plan expenditure of £0.190m is recorded within Community Learning and Development. This is offset by recurring staff savings of £0.030m together with further non recurring staff savings from vacancies amounting to £0.146m. These savings are included in the employee cost savings notified above.

Other net income deficits of £0.086m have been offset by a reduction in related costs.

4. EXECUTIVE DIRECTOR'S COMMENTS

4.1 Budget holders have been instructed of the need to ensure that the total net expenditure is brought into line with the departmental resource allocation.

5. RECOMMENDATIONS

5.1 It is recommended that Education Committee :

(i) note the contents of this report.

Alex McPhee
Executive Head of Finance

Graham Short
**Executive Director (Educational and
Social Services)**

11 January 2007
AMcP / CJ / EC

LIST OF BACKGROUND PAPERS

NIL

Members wishing further information should contact Chris Johnston, Financial Services Manager, Tel: (01563 573731) or Euan Couperwhite, Head of Resource Support, Tel: (01563 576090).

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