

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 23 MARCH 2004

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 8 FEBRUARY 2004 (PERIOD 11)

Joint Report by Director of Finance and 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 Education Services for the period ended 8 February 2004 (Period 11).

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 the Education Service will out-turn at £83,408,374, which is £189,000 greater than the annual estimate for the year.

2.3 Budget Performance to Period 11

The net expenditure to date amounts to £68,891,653 compared to a budget of £68,588,342 resulting in the actual expenditure being £303,311 greater than budgeted.

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.

2.4 Summary of Objective Costs

	Budget	Actual	Variance				
	Expend to	Expend to	Expend to	Annual	Projected		
	08-Feb-04	08-Feb-04	08-Feb-04	Estimate	Actual		
	Period11	Period11	Period11	2003/04	2003/04	Variance	
	£	£	£	£	£	£	%
Central Administration	901,358	693,124	(208,234)	2,711,393	2,562,333	(149,060)	-5.50
Children's Service Fund	(525,351)	(466,401)	58,950	(203,500)	(253,500)	(50,000)	0.00
Education Property	63,020	(20,980)	(84,000)	71,930	71,930	0	0.00
Pre-Fives' Provision	4,448,301	4,425,236	(23,065)	5,410,682	5,406,942	(3,740)	-0.07
Primary Schools	24,307,550	24,905,825	598,275	28,481,764	28,650,804	169,040	0.59
Secondary Schools	28,077,999	28,108,867	30,868	32,841,847	32,557,987	(283,860)	-0.86
Special Education	5,021,876	5,300,601	278,725	6,005,522	6,432,932	427,410	7.12
Other Education	395,472	444,859	49,387	386,294	422,914	36,620	9.48
Psychological Services	379,891	385,597	5,706	455,529	436,069	(19,460)	-4.27
Quality Development	412,580	453,425	40,845	539,324	593,064	53,740	9.96
Community Learning & Development	2,455,566	2,279,196	(176,370)	3,003,828	3,018,346	14,518	0.48
Arts & Culture	451,681	503,525	51,844	519,602	549,602	30,000	5.77
Community Facilities	159,327	180,539	21,212	182,563	206,093	23,530	12.89
Youth Strategy	394,293	290,227	(104,066)	492,286	492,286	0	0.00
New Community Schools	493,074	411,627	(81,447)	586,133	586,133	0	0.00
Modern Languages	220,439	164,826	(55,613)	346,680	346,680	0	0.00
PPP Infrastructure	229,521	199,808	(29,713)	498,710	438,972	(59,738)	-11.98
Support to Communities	701,745	631,752	(69,993)	888,787	888,787	0	0.00
NET EXPENDITURE	68,588,342	68,891,653	303,311	83,219,374	83,408,374	189,000	0.23

2.5 Summary of Subjective Costs

	Budget	Actual	Variance				
	Expend to	Expend to	Expend to	Annual	Projected		
	8-Feb-04	8-Feb-04	8-Feb-04	Estimate	Actual		
	Period11	Period11	Period11	2003/04	2003/04	Variance	
	£	£	£	£	£	£	%
Employee Costs	51,570,635	51,768,567	197,932	62,000,195	61,556,225	(443,970)	-0.72
Premises Related Expenditure	7,315,812	7,388,536	72,724	8,658,554	9,013,016	354,462	4.09
Transport Related Expenditure	3,175,351	2,980,992	(194,359)	3,870,689	3,820,729	(49,960)	-1.29
Supplies & Services	6,597,444	6,700,433	102,989	8,059,779	8,248,817	189,038	2.35
Third Party Payments	3,251,587	3,544,002	292,415	4,240,273	4,737,273	497,000	11.72
Transfer Payments	1,132,600	1,105,078	(27,522)	1,510,997	1,510,997	0	0.00
TOTAL EXPENDITURE	73,043,429	73,487,608	444,179	88,340,487	88,887,057	546,570	0.62
Income	(4,455,087)	(4,595,955)	(140,868)	(5,121,113)	(5,478,683)	(357,570)	6.98
NET EXPENDITURE	68,588,342	68,891,653	303,311	83,219,374	83,408,374	189,000	0.23

3. ANALYSIS OF VARIANCES

3.1 Position as at 8 February 2004 (Period 11)

3.1.1 Employee Costs

The current overspend of £197,932 results from the phasing of teachers' salary costs. This is partially offset by savings through vacancies and staff turnover within Central Administration and Community Learning and Development. Projected payroll savings of £443,970 are anticipated through staff turnover and vacancies. A provisional sum of £189,000 has been made for the Nursery Nurses pay settlement.

3.1.2 Premises Costs

The current additional costs of £72,724 are mainly due to water charges offset by current underspends on recharges for janitors' overtime.

Additional costs of £354,462 are anticipated for the financial year. Additional Scottish Water charges of £120,000 are projected for Primary Schools and £200,000 for Secondary Schools. These additional charges relate to the drainage of surface water at schools and are subject to ongoing discussions with Scottish Water.

3.1.3 Transport Related Costs

The underspend at Period 11 of £194,359 is mainly due to the timing of charges for the school transport contracts. The annual projected underspend of £49,960 is for car mileage.

3.1.4 Supplies and Services

The Period 11 additional costs of £102,989 are mainly due to additional exam fee costs of £96,000 that can be attributed to the success of the Education Maintenance Allowance scheme. Discussions are ongoing to seek Scottish Executive funding for the increased Scottish Qualification Authority fees arising from this success.

The projected additional costs for the year of £189,038 include these SQA fees together with additional Community Learning and Development Service costs which are anticipated to be offset by savings in other areas of that service during the financial year.

3.1.5 Third Party Payments

The current overspend of £292,415 is largely due to the commitment to pupils with Additional Support Needs and outwith placements.

Of the total projected additional third party payments of £497,000, the sum of £407,000 will be required to meet the demand for these additional support needs and outwith placements. Other costs include school links, a Sports Scotland

project and a drugs project. These costs are anticipated to be offset by savings in other areas and grants received during the financial year.

3.1.7 Income

The current additional income of £140,868 is largely due to the receipt of Grants. The projected additional income for the year of £357,570 is for the recovery of income relating to the sports co-ordination project and additional grant funding.

4. RECOMMENDATIONS

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

Alex McPhee
Director of Finance

John Mulgrew
Director of Educational and Social Services

12 March 2004
AMcP / CJ / EC

LIST OF BACKGROUND PAPERS

NIL

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

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