

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 22 MARCH 2005

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 6 FEBRUARY 2005 (PERIOD 11)

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 6 February 2005 (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 Educational Services will out-turn at £90,061,700 which is £50,840 greater than the annual estimate for the year.

2.3 Budget Performance to Period 11

The net expenditure to date amounts to £71,810,268 being 79.8% 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.

2.4 Summary of Objective Costs

SUMMARY OF OBJECTIVE COSTS					
Actual to 06-Feb-05	Actual as % of Ann Est		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
694,707	20.2%	Central Administration	3,434,582	3,369,772	(64,810)
50,110	53.1%	Education Property	94,377	147,397	53,020
4,789,260	77.9%	Pre-Fives	6,149,343	6,248,543	99,200
25,651,571	88.0%	Primary Schools	29,148,481	29,361,861	213,380
29,844,572	82.7%	Secondary Schools	36,099,210	36,144,450	45,240
5,448,161	78.1%	Special Education	6,975,262	6,959,462	(15,800)
320,447	75.6%	Other Education	423,876	422,876	(1,000)
405,300	78.5%	Psychological Services	516,476	516,476	0
291,696	55.3%	Quality Improvement	527,806	551,006	23,200
560,770	90.9%	Arts & Culture	617,171	617,171	0
2,270,520	73.9%	Community Learning & Development	3,072,793	3,002,143	(70,650)
171,038	79.7%	Community Facilities	214,612	198,612	(16,000)
462,856	64.5%	Youth Strategy	717,330	672,060	(45,270)
259,209	33.6%	New Community Schools	770,936	578,346	(192,590)
200,890	53.7%	Modern Languages	374,387	374,387	0
(462,952)	0.0%	Childrens Service Fund	0	0	0
473,150	94.6%	PPP Infrastructure	500,000	507,630	7,630
378,963	101.3%	Support to Communities	374,218	389,508	15,290
71,810,268	79.8%	TOTAL EXPENDITURE	90,010,860	90,061,700	50,840

2.5 Summary of Subjective Costs

SUMMARY OF SUBJECTIVE COSTS - OVERALL					
Actual to 06-Feb-05	Actual as % of Ann Est		Annual Estimate 2004-05	Projected Actual 2004-05	Variance (Favourable)/ Adverse
£	£		£	£	£
55,917,309	82.7%	Employee Costs	67,597,880	67,584,830	(13,050)
7,518,491	81.5%	Premises Related Expenditure	9,224,362	9,135,732	(88,630)
3,050,270	73.6%	Transport Related Expenditure	4,146,748	4,072,428	(74,320)
7,391,862	81.7%	Supplies & Services	9,050,221	9,445,101	394,880
3,271,560	56.8%	Third Party Payments	5,762,381	5,640,811	(121,570)
911,278	55.2%	Transfer Payments	1,651,957	1,651,957	0
78,060,770	80.1%	TOTAL EXPENDITURE	97,433,549	97,530,859	97,310
(6,250,502)	84.2%	Income	(7,422,689)	(7,469,159)	(46,470)
71,810,268	79.8%	NET EXPENDITURE	90,010,860	90,061,700	50,840

3. ANALYSIS OF VARIANCES

3.1 Position as at 6 February 2005 (Period 11)

3.1.1 Employee Costs

There is a projected underspend of £13,050 arising from vacancies and turnover.

3.1.2 Premises Related Expenditure

The projected underspend of £88,630 reflects positive management action to control expenditure.

3.1.3 Transport Related Expenditure

The projected underspend of £74,320 results from a reduction in staff travel together with a Schools Transport contract refund.

3.1.4 Supplies and Services

At Period 11 additional costs of £394,880 are projected for 2004/05 which mainly consists of an unallocated savings requirement of £150,300 which has arisen due to the input of substantial resources to offset unfunded additional costs for Water Charges, SQA Fees, ASN Transport and Schools Absence Cover. In addition there is a sum of £94,400 brought forward from 2003/04 relating to the Educational Services' deficit for that year. Additional supply costs have also affected the Pre Five and Community Learning and Development Services.

3.1.5 Third Party Payments

The projected underspend of £121,570 reflects a reduction in the commitment to external providers for the outwith placement of pupils with additional support needs.

At present expenditure of £97,368 is anticipated for work carried out in relation to ground condition surveys for the sites involved within the PPP project. Investigations are currently being undertaken to confirm the correct accounting treatment for this expenditure. If the Council is not able to transfer the costs of this work to the PPP contract, the additional sums incurred will be charged to the 2004/05 revenue budget.

- 3.2** Since Period 9 the level of overspend has reduced by £154,810, and the Executive Director and Senior Management continue to take positive steps to ensure that this latest reported overspend can be addressed through the implementation of management action.

RECOMMENDATIONS

- 4.1** It is recommended that Members of the Education Committee :

(i) note the contents of this report.

Alex McPhee
Executive Head of Finance

John Mulgrew
Executive Director of Educational and
Social Services

10 March 2005
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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