

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 21 MARCH 2006

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 5 FEBRUARY 2006 (PERIOD 11)

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 5 February 2006 (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 £94,932,440 which is £359,570 greater than the annual estimate for the year.

2.3 Budget Performance to Period 11

The net expenditure to date amounts to £75,035,386 being 79% 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

Actual Exp. To 5/2/06	Act. Exp to P11 as % of Ann Est	Service Division	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
1,693,795	53.2%	CENTRAL ADMINISTRATION	3,185,177	3,340,527	155,350
285,888	295.8%	EDUCATION PROPERTY (NON SCHOOLS)	96,661	119,161	22,500
5,318,847	71.3%	PRE-FIVES	7,460,182	7,340,012	(120,170)
25,929,902	86.2%	PRIMARY SCHOOLS	30,087,760	30,400,290	312,530
30,951,064	82.2%	SECONDARY SCHOOLS	37,655,061	38,015,151	360,090
5,755,962	77.9%	SPECIAL EDUCATION	7,392,343	7,258,103	(134,240)
(59,230)	(20.0)%	OTHER EDUCATION	296,247	258,447	(37,800)
468,098	63.2%	PSYCHOLOGICAL SERVICES	741,181	627,481	(113,700)
430,069	53.4%	QUALITY IMPROVEMENT	806,055	783,355	(22,700)
501,025	76.5%	ARTS & CULTURE	654,518	654,518	0
1,563,733	54.9%	COMMUNITY LEARNING & DEVELOPMENT	2,847,854	2,937,514	89,660
31,673	16.2%	COMMUNITY FACILITIES	195,234	190,894	(4,340)
504,775	66.8%	YOUTH STRATEGY	756,018	668,968	(87,050)
697,472	63.0%	INTEGRATED COMMUNITY SCHOOLS	1,107,486	1,107,486	0
176,546	-	MODERN LANGUAGES	387,853	387,853	0
0	-	CHILDREN'S SERVICE FUND	0	0	0
422,828	84.6%	PPP INFRASTRUCTURE	500,000	459,880	(40,120)
362,939	90.0%	SUPPORT TO COMMUNITIES	403,240	382,800	(20,440)
75,035,386	79.3%	TOTAL	94,572,870	94,932,440	359,570

Summary of Subjective Costs

Actual Exp. To 5/2/06	Act. Exp to P11 as % of Ann Est	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
59,298,310	81.8%	EMPLOYEE COSTS	72,473,519	71,859,579	(613,940)
8,004,514	84.3%	PREMISES COSTS	9,498,487	9,733,417	234,930
3,164,592	68.9%	TRANSPORT COSTS	4,591,393	4,593,153	1,760
7,388,925	74.9%	SUPPLIES & SERVICES	9,867,809	10,219,429	351,620
4,885,172	68.1%	THIRD PARTY PAYMENTS	7,175,113	7,188,763	13,650
918,268	72.8%	TRANSFER PAYMENTS	1,261,235	1,261,235	0
83,659,781	79.8%	TOTAL EXPENDITURE	104,867,556	104,855,576	(11,980)
(8,624,395)	83.8%	INCOME	(10,294,686)	(9,923,136)	371,550
75,035,386	79.3%	NET EXPENDITURE	94,572,870	94,932,440	359,570

3. ANALYSIS OF VARIANCES**3.1 Position as at 5 February 2006 (Period 11)****3.1.1 Employee Costs**

There is a projected net underspend of £613,940.

Savings have arisen from vacant posts and staff turnover within the majority of Services but mainly within Central Administration, Early Years, Community

Learning and Development, Network Support, Psychological Services and Youth Strategy.

The net projected additional staff costs for Schools is £156,350. This includes additional staff costs incurred for St Joseph's Academy following the merger of the twin campuses at Kilmarnock and the demand for pupils requiring Additional Support throughout the sector. A provision has been made within Supplies and Services under the Delegated Management of Resources for the utilisation of Staff cost savings within a number of secondary schools.

3.1.2 Premises Related Expenditure

The projected property overspend is £234,930

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 £140,270 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

At the Policy and Resources Committee on 8 February 2006 it was agreed that £226,000 would be transferred from Contingency to meet the additional costs associated with the termination of a pupil transport contract following health and safety concerns. This has eliminated the budget problem previously reported to Committee.

3.1.4 Supplies and Services

The projected overspend of £351,620 includes the additional cost of £48,380 for SQA fees and additional Integrated Community School resource costs of £48,520 which are funded by additional grant income. A sum of £276,000 has been projected for resources to be vired from savings in secondary school payroll costs under the Schools Delegated Management of Resources.

These additional costs have been partially offset by a reduction in training expenditure.

3.1.5 Income

The projected deficit £371,500 includes expenditure reduction targets of £317,000 which have been offset by savings reported in Employee costs above. In the Schools Sector, school meals income is expected to be underrecovered by £100,190. There is a projected income reduction of £25,700 within Quality Improvement for course fees and recharges.

These under-recoveries are partially offset by additional income and grants amounting to £73,000.

