

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 20 MARCH 2007

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 4 FEBRUARY 2007 (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 4 February 2007 (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.

Onsite Services has been fully integrated into Educational Services as it is no longer deemed to be a significant trading operation. Management Information Systems have been updated to take account of this change.

2.2 Projected Out-turn

Based on all available information it is currently projected that Educational Services will out-turn at £101.194m which is £0.384m less than the annual estimate for the year.

2.3 Budget Performance to Period 11

The net expenditure to date amounts to £76.603m being 75.4% 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 4/2/07 £m	Act. Exp to P11 as % of Ann Est	Service Division	Annual Estimate 2006/07 £m	Projected Actual to 31/3/07 £m	Variance (Favourable) / Adverse £m
1.017	38.4%	CENTRAL ADMINISTRATION	2.649	3.241	0.592
0.193	290.2%	EDUCATION PROPERTY	0.067	0.082	0.015
4.225	78.9%	EARLY YEARS - DEVOLVED	5.359	5.188	(0.171)
21.662	83.2%	PRIMARY SCHOOLS - DEVOLVED	26.026	25.771	(0.254)
26.445	81.2%	SECONDARY SCHOOLS - DEVOLVED	32.552	32.340	(0.212)
1.987	77.1%	SPECIAL EDUCATION - DEVOLVED	2.578	2.566	(0.012)
1.194	42.9%	EARLY YEARS - CENTRAL	2.783	2.374	(0.409)
1.753	50.3%	PRIMARY SCHOOLS - CENTRAL	3.487	3.690	0.203
2.284	53.6%	SECONDARY SCHOOLS - CENTRAL	4.263	4.262	(0.001)
3.905	74.9%	SPECIAL EDUCATION - CENTRAL	5.216	5.352	0.136
(0.015)	-4.9%	OTHER EDUCATION	0.300	0.209	(0.092)
0.546	72.9%	PSYCHOLOGICAL SERVICES	0.749	0.706	(0.043)
0.225	70.4%	QUALITY IMPROVEMENT	0.320	0.362	0.042
0.523	78.5%	ARTS & CULTURE	0.667	0.667	0.000
2.334	69.3%	COMMUNITY LEARNING AND DEVELOPMENT	3.366	3.312	(0.054)
0.451	55.4%	YOUTH STRATEGY	0.814	0.690	(0.125)
1.185	92.1%	INTEGRATED COMMUNITY SCHOOLS	1.287	1.329	0.042
0.120	0.0%	MODERN LANGUAGES	0.269	0.269	0.000
(0.259)	-62.3%	CHANGING CHILDREN'S SERVICE FUND	0.415	0.415	0.000
0.372	114.7%	PPP INFRASTRUCTURE	0.325	0.405	0.080
6.454	79.8%	ONSITE	8.087	7.966	(0.122)
76.603	75.4%	TOTAL	101.578	101.194	(0.384)

Summary of Subjective Costs

Actual Exp. To 4/2/07 £m	Act. Exp to P11 as % of Ann Est	Detail	Annual Estimate 2006/07 £m	Projected Actual to 31/3/07 £m	Variance (Favourable) / Adverse £m
65.783	80.1%	EMPLOYEE COSTS	82.148	80.760	(1.388)
4.789	79.0%	PREMISES COSTS	6.063	5.994	(0.068)
3.563	65.7%	TRANSPORT COSTS	5.420	5.357	(0.063)
6.481	67.5%	SUPPLIES & SERVICES	9.597	10.202	0.606
5.099	63.6%	THIRD PARTY PAYMENTS	8.022	7.936	(0.086)
0.810	69.2%	TRANSFER PAYMENTS	1.170	1.090	(0.080)
86.525	77.0%	TOTAL EXPENDITURE	112.420	111.340	(1.080)
(9.922)	91.5%	INCOME	(10.842)	(10.146)	0.696
76.603	75.4%	NET EXPENDITURE	101.578	101.194	(0.384)

3. ANALYSIS OF VARIANCES

3.1 Position as at 4 February 2007 (Period 11)

3.1.1 Employee Costs

There is a projected net underspend of £1.388m. Management control of vacant posts and staff turnover within all sectors has been imposed 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 budget saving on employer's national insurance. Additional Scottish Executive grant funding has been received for probationer teachers.

3.1.2 Premises Costs

The favourable variance of £0.068m is due to a school water charge refund.

3.1.3 Transport Related Expenditure

The favourable variance in transport costs of £0.063m is due to a reduction in projected SPT mainstream school transport costs partially offset by Special Education costs due to further demand for the transport of pupils with additional support needs.

3.1.4 Supplies and Services

Additional Supplies and Services costs of £0.606m are mainly due to additional broadband costs and replacement of school and Onsite Services equipment, together with the cost of education materials purchased by schools utilising their devolved resource balances from the previous financial year.

3.1.5 Third Party Payments

The Third Party Payments underspend of £0.086m is mainly for Early Years payments to external providers offset by additional PPP contractor costs and outwith placements costs within Special Education.

3.1.6 Transfer Payments

The projected underspend of £0.080m is due to a reduced demand for bursaries and childminder charges.

3.1.7 Income

The projected income deficit of £0.696m includes the sum of £0.581m 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 £0.160m is recorded within Community Learning and Development. This has been completely offset by savings on vacancies within that service.

These adverse variances have been offset by additional grant income amounting to £0.045m

4. RECOMMENDATIONS

4.1 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)

1.3. 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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