

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 8 NOVEMBER 2005

BUDGETARY CONTROL SUMMARY STATEMENT ONSITE SERVICES UNIT TO 18 SEPTEMBER 2005 (PERIOD 6)

Joint Report by Executive Head of Finance and
Executive 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 the Onsite Services Business Unit for the period ended 18 September 2005 (Period 6)

2 OVERALL POSITION

- 2.1 The following report relates to service costs and income controlled by the department and includes rechargeable costs for central service charges and capital charges. The performance to date and the projected out-turn for each service is detailed separately within the report.

2.2 Projected Out-turn

The surpluses for the three Onsite Services are projected to be on target at the financial year end. The projected surpluses are Cleaning £90,000, Catering £71,000 and School Crossing Patrols £7,000, giving an overall projected surplus of £168,000 at 31 March 2006. These projections are based on all currently available information.

2.3 Cleaning Service Budget Performance to Period 6

At Period 6 there is a reported surplus of £151,000 compared to a budgeted surplus of £128,000, resulting in a favourable variance of £23,000. This arises mainly from additional income in respect of temporary continuation of several contracts. This additional income is offset by an overspend on wages costs which is directly attributable to the additional income.

2.4 Catering Service Budget Performance to Period 6

As at Period 6 there is a surplus of £29,000 compared to a budgeted surplus of £6,000, resulting in a favourable variance of £23,000. This arises mainly from additional income in respect of temporary continuation of several contracts. This additional income is offset by a corresponding overspend on wages and other direct costs.

2.5 School Crossing Patrol Service Budget Performance to Period 6

The position at Period 6 is a surplus of £11,000 compared to a budgeted surplus of £7,000 resulting in a favourable variance of £4,000. This mainly arises from an over recovery of income which is offset by a corresponding overspend on wages costs.

2.6 Summary of Subjective Costs - Cleaning Service

	Actual Expend to 18-Sep-05 Period 06	Planned Expend to 18-Sep-05 Period 06	Annual Estimate 2005-06	Projected Actual 2005-06	Variance (Favourable)/ Adverse
	£000	£000	£000	£000	£000
INCOME	(2,556)	(2,471)	(5,331)	(5,391)	(60)
EXPENDITURE					
Labour Costs	2,210	2,129	4,779	4,839	60
Sub Contractors	0	0	0	0	0
Other Direct Costs	60	81	175	175	0
Overheads	135	133	320	320	0
TOTAL EXPENDITURE	2,405	2,343	5,274	5,334	60
(SURPLUS)/DEFICIT	(151)	(128)	(57)	(57)	0

2.7 Summary of Subjective Costs - Catering Service

	Actual Expend to 18-Sep-05 Period 06	Planned Expend to 18-Sep-05 Period 06	Annual Estimate 2005-06	Projected Actual 2005-06	Variance (Favourable)/ Adverse
	£000	£000	£000	£000	£000
INCOME	(1,943)	(1,789)	(4,001)	(4,086)	(85)
EXPENDITURE					
Labour Costs	1,162	1,083	2,412	2,477	65
Sub Contractors	0	0	0	0	0
Other Direct Costs	638	591	1,281	1,301	20
Overheads	114	109	253	253	0
TOTAL EXPENDITURE	1,914	1,783	3,946	4,031	85
(SURPLUS)/DEFICIT	(29)	(6)	(55)	(55)	0

2.8 Summary of Subjective Costs - School Crossing Patrol Service

	Actual Expend to 24-Jul-05 Period 06	Planned Expend to 24-Jul-05 Period 06	Annual Estimate 2005-06	Projected Actual 2005-06	Variance (Favourable)/ Adverse
	£000	£000	£000	£000	£000
INCOME	(158)	(146)	(317)	(339)	(22)
EXPENDITURE					
Labour Costs	132	124	278	300	22
Sub Contractors	0	0	0	0	0
Other Direct Costs	3	3	7	7	0
Overheads	12	12	27	27	0
TOTAL EXPENDITURE	147	139	312	334	22
(SURPLUS)/DEFICIT	(11)	(7)	(5)	(5)	0

3. INCOME

Based on information from Onsite Services, it is anticipated that there will be an over recovery of income across the three contracts totalling £167,000 for the year. This consists of £60,000 relating to Cleaning contracts, £22,000 in respect of School Crossing Patrol Service and £85,000 relating to Catering contracts, after taking into account the Scottish Executive funded 'Hungry for Success' initiative. As highlighted in sections 2.3 to 2.5 of the report, this projected over recovery of income is largely due to temporary continuation of several contracts and is wholly offset by additional attributable expenditure on labour and other direct costs.

4. RECOMMENDATIONS

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

Alex McPhee
Executive Head of Finance

John Mulgrew
Executive Director of Educational and
Social Services

AMcP/AR
26 October 2005

LIST OF BACKGROUND PAPERS

Nil

Members wishing further information should contact Alex McPhee, Financial Services Manager, Tel: (01563) 576848 or Robin Gourlay, Contracts Manager, Tel: (01563) 555774.

Implementation Officer Robin Gourlay, Contracts Manager