

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 7 NOVEMBER 2006

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 17 SEPTEMBER 2006 (PERIOD 6)

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 17 September 2006 (Period 6).

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.

2.3 Projected Out-turn

Based on all available information it is currently projected that Educational Services will out-turn at £99.136m which is £1.411m greater than the annual estimate for the year.

2.4 Budget Performance to Period 6

The net expenditure to date amounts to £40.521m being 41.5% 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 17/09/06 £m	Act. Exp to P6 as % of Ann Est	Service Division	Annual Estimate 2006/07 £m	Projected Actual to 31/3/07 £m	Variance (Favourable) / Adverse £m
0.521	49.5%	CENTRAL ADMINISTRATION	1.053	2.180	1.127
0.051	51.0%	EDUCATION PROPERTY	0.100	0.100	0.000
2.612	33.5%	EARLY YEARS	7.799	7.737	(0.062)
12.542	43.8%	PRIMARY SCHOOLS	28.623	28.691	0.069
15.478	43.2%	SECONDARY SCHOOLS	35.836	35.709	(0.127)
2.627	35.9%	SPECIAL EDUCATION	7.312	7.783	0.471
(0.037)	-12.3%	OTHER EDUCATION	0.300	0.202	(0.098)
0.301	40.2%	PSYCHOLOGICAL SERVICES	0.749	0.711	(0.038)
(0.269)	-79.9%	QUALITY IMPROVEMENT	0.337	0.337	0.000
0.224	33.6%	ARTS & CULTURE	0.667	0.667	0.000
1.194	36.4%	COMMUNITY LEARNING AND DEVELOPMENT	3.278	3.324	0.045
0.248	31.0%	YOUTH STRATEGY	0.800	0.744	(0.057)
0.358	35.4%	INTEGRATED COMMUNITY SCHOOLS	1.011	1.011	0.000
0.027	0.0%	MODERN LANGUAGES	(0.000)	(0.000)	0.000
0.283	68.1%	CHILDREN'S SERVICE FUND	0.415	0.415	0.000
0.332	102.3%	PPP INFRASTRUCTURE	0.325	0.405	0.080
4.029	44.2%	ONSITE	9.120	9.120	0.000
40.521	41.5%	TOTAL	97.725	99.136	1.411

Summary of Subjective Costs

Actual Exp. To 17/09/06 £m	Act. Exp to P6 as % of Ann Est	Detail		Projected Actual to 31/3/07 £m	Variance (Favourable) / Adverse
33.919	41.3%	EMPLOYEE COSTS	82.161	81.920	(0.241)
3.464	65.2%	PREMISES COSTS	5.310	5.343	0.033
2.035	39.9%	TRANSPORT COSTS	5.104	5.453	0.349
3.357	41.9%	SUPPLIES & SERVICES	8.017	7.938	(0.079)
2.671	33.0%	THIRD PARTY PAYMENTS	8.104	8.265	0.161
0.556	47.3%	TRANSFER PAYMENTS	1.175	1.125	(0.050)
46.002	41.9%	TOTAL EXPENDITURE	109.871	110.045	0.174
(5.481)	45.1%	INCOME	(12.146)	(10.909)	1.237
40.521	41.5%	NET EXPENDITURE	97.725	99.136	1.411

3. ANALYSIS OF VARIANCES

3.1 Position as at 17 September 2006 (Period 6)

3.1.1 Employee Costs

There is a projected net underspend of £0.241m.

Savings have arisen from vacant posts and staff turnover within the majority of service divisions together with savings in unfunded pension costs. These have

offset an additional teaching cost in the Special Education Service and Primary Schools Supply Pool costs.

3.1.2 Premises Related Expenditure

The projected property overspend is £0.033m arising from additional costs in relation to the Mauchline Primary School decant.

3.1.3 Transport Related Expenditure

Additional Transport Costs totalling £0.349m have arisen due to the failure of the contractor Swift to fulfil the contract with East Ayrshire Council for the transport of pupils with additional support needs.

3.1.4 Supplies and Services

There is a projected underspend of £0.079m of which £0.089 relates to a one-off Secondary School water charge refund. This offsets additional costs relating to the Mauchline Primary School decant.

3.1.5 Third Party Payments

There is a current projected overspend of £0.161m. Of this sum £0.081 is for the Outwith Placement commitments based on the current uptake. There are additional PPP professional fees of £0.080 relating to the final completion of contracts.

3.1.6 Transfer Payments

The projected underspend of £0.050m is for the reduction in the demand for bursary payments.

3.1.7 Income

Additional income of £0.053m has been generated by Outdoor Learning. This is set against the total reported income deficit of £1.237m which mainly relates to the unallocated budget deficits for Education.

A sum of £1.099m represents the deficit balance after input of the total Education budget requirements for the financial year. When preparing the annual budget additional costs were included for School Transport costs and withdrawal of temporary funding from the Scottish Executive of £0.266m. Energy costs for all services properties have been fully budgeted to include both the inflation factor and consumption levels for the previous two financial years at an additional cost of £0.463m.

