

# EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 13 SEPTEMBER 2005

## BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 24 JULY 2005 (PERIOD 4)

### 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 24 July 2005 (Period 4).

#### 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 £93,689,880 which is £641,300 greater than the annual estimate for the year.

#### 2.3 Budget Performance to Period 4

The net expenditure to date amounts to £30,938,727 being 33.3% 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

Actual Exp. To 24/07/05	Act. Exp to P4 as % of Ann Est	Service Division	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
547,084	15.1%	CENTRAL ADMINISTRATION	3,617,569	4,018,569	401,000
49,187	50.9%	EDUCATION PROPERTY	96,661	96,661	0
1,842,786	25.2%	PRE-FIVES	7,308,861	7,308,861	0
10,722,532	35.9%	PRIMARY SCHOOLS	29,837,931	29,837,931	0
12,998,130	35.2%	SECONDARY SCHOOLS	36,951,540	37,018,540	67,000
1,929,401	26.6%	SPECIAL EDUCATION	7,263,284	7,263,284	0
17,863	6.0%	OTHER EDUCATION	296,247	347,947	51,700
154,030	25.5%	PSYCHOLOGICAL SERVICES	603,443	585,443	(18,000)
227,768	29.4%	QUALITY IMPROVEMENT	775,232	775,232	0
216,947	33.1%	ARTS & CULTURE	655,622	655,622	0
1,438,916	50.4%	COMMUNITY LEARNING & DEVELOPMENT	2,855,443	3,012,443	157,000
99,352	50.6%	COMMUNITY FACILITIES	196,448	207,048	10,600
182,476	24.1%	YOUTH STRATEGY	756,018	728,018	(28,000)
198,495	21.3%	INTEGRATED COMMUNITY SCHOOLS	931,039	931,039	0
44,997	-	MODERN LANGUAGES	0	0	0
-	-	CHILDREN'S SERVICE FUND	0	0	0
91,107	18.2%	PPP INFRASTRUCTURE	500,000	500,000	0
177,656	44.1%	SUPPORT TO COMMUNITIES	403,242	403,242	0
<b>30,938,727</b>	<b>33.3%</b>	<b>TOTAL</b>	<b>93,048,580</b>	<b>93,689,880</b>	<b>641,300</b>

## 2.5 Summary of Subjective Costs

Actual Exp. To 24/07/05	Act. Exp to P4 as % of Ann Est	Detail	Annual Estimate 2005/06	Projected Actual to 31/3/06	Variance (Favourable) / Adverse
23,189,078	33.0%	EMPLOYEE COSTS	70,302,051	70,007,251	(294,800)
4,340,003	46.5%	PREMISES COSTS	9,325,160	9,512,260	187,100
1,044,357	24.3%	TRANSPORT COSTS	4,303,106	4,287,106	(16,000)
2,531,245	24.0%	SUPPLIES & SERVICES	10,547,462	10,549,262	1,800
1,631,256	26.2%	THIRD PARTY PAYMENTS	6,229,784	6,242,784	13,000
507,335	40.5%	TRANSFER PAYMENTS	1,253,300	1,253,300	0
<b>33,243,274</b>	<b>32.6%</b>	<b>TOTAL EXPENDITURE</b>	<b>101,960,863</b>	<b>101,851,963</b>	<b>(108,900)</b>
(2,304,547)	25.9%	INCOME	(8,912,283)	(8,162,083)	750,200
<b>30,938,727</b>	<b>33.3%</b>	<b>NET EXPENDITURE</b>	<b>93,048,580</b>	<b>93,689,880</b>	<b>641,300</b>

### **3. ANALYSIS OF VARIANCES**

#### **3.1 Position as at 24 July 2005 (Period 4)**

##### **3.1.1 Employee Costs**

There is a projected underspend of £294,800 arising from vacant posts and staff turnover. Of this total, the sum of £271,000 is for Community Learning and Development which will be applied against the Community Learning and Development expenditure reduction target.

Additional staff costs of £67,000 have been incurred for St Joseph's Academy during the merger of the twin campuses at Kilmarnock.

##### **3.1.2 Premises Related Expenditure**

The projected overspend is £187,100.

The Service has benefited by £293,000 from a Scottish Water refund relating to resizing of meters. This has partially offset a projected overspend of £453,000 which can be attributed to as yet unidentified savings in energy costs.

##### **3.1.3 Transport Related Expenditure**

The projected underspend of £16,000 results from a reduction in staff travel costs within Community Learning and Development.

##### **3.1.4 Income**

The projected deficit £750,200 includes expenditure reduction targets which will be offset by savings reported in Employee and Transport costs above.

Of this sum, £420,500 relates to Community Learning and Development. By offsetting current projected savings for the Best Value Review and other management actions, a net annual variance of £157,000 remains which represents the balance of expenditure reductions which has not been identified to date by budget holders.

The sum of £261,000 relates to the balance of other Best Value Review savings reported within Central Administration which have not been identified to date by budget holders in order to achieve the relevant expenditure reduction target.

The projected overspend of £51,700 relates to the proposed expenditure reduction for Outdoor Education. A business plan is being drawn up to realise an increase in income to achieve the target, however the benefits are not expected to accrue in the current financial year.

There has been a delay in the commencement of a Lottery funded project within Youth strategy. The reduction in income of £17,000 has been offset by staff savings to date.

#### 4. EXECUTIVE DIRECTOR'S COMMENTS

- 4.1 The Executive Director continues to remind senior officers of their financial responsibilities. Budget holders have been instructed to identify measures which can be set against the reported overspend of 641,300. This will be achieved through continued monitoring and reporting and progress towards this target will be closely monitored throughout the remainder of the financial year and reported to Committee accordingly.

#### 5. RECOMMENDATIONS

- 5.1 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

23 August 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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