

# EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 12 SEPTEMBER 2006

## BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 23 JULY 2006 (PERIOD 4)

### 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 23 July 2006 (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 The Educational Services annual budget has been increased by £1.734m to include Onsite Services as that service is no longer a trading operation. The budgeted cost of Onsite Services is £9.120m and the sum of £7.386m has been transferred from other Educational Services budgets where the Onsite charges were previously applied. This adjustment is subject to ongoing negotiation and will be finalised in the near future.

#### 2.3 Projected Out-turn

Based on all available information it is currently projected that Educational Services will out-turn at £99.207m which is £1.487m greater than the annual estimate for the year.

#### 2.4 Budget Performance to Period 4

The net expenditure to date amounts to £30.632m being 31.3% 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 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 23/07/06 £m	Act. Exp to P4 as % of Ann Est	Service Division	Annual Estimate 2006/07 £m	Projected Actual to 31/3/07 £m	Variance (Favourable) / Adverse £m
0.298	30.9%	CENTRAL ADMINISTRATION	0.963	2.016	1.053
0.064	63.4%	EDUCATION PROPERTY	0.101	0.101	0.000
1.792	22.8%	PRE-FIVES	7.858	7.826	(0.032)
9.830	34.2%	PRIMARY SCHOOLS	28.709	28.759	0.050
12.221	34.0%	SECONDARY SCHOOLS	35.914	35.914	0.000
2.123	29.0%	SPECIAL EDUCATION	7.318	7.697	0.379
0.138	45.7%	OTHER EDUCATION	0.302	0.199	(0.103)
0.254	33.9%	PSYCHOLOGICAL SERVICES	0.749	0.749	0.000
(0.298)	-106.4%	QUALITY IMPROVEMENT	0.280	0.280	0.000
0.160	24.0%	ARTS & CULTURE	0.667	0.667	0.000
0.693	21.3%	COMMUNITY LEARNING & DEVELOPMENT	3.249	3.420	0.171
0.190	23.7%	YOUTH STRATEGY	0.801	0.770	(0.031)
0.356	37.5%	INTEGRATED COMMUNITY SCHOOLS	0.949	0.949	0.000
0.004	0.0%	MODERN LANGUAGES	0.000	0.000	0.000
0.043	10.4%	CHILDREN'S SERVICE FUND	0.415	0.415	0.000
0.156	48.0%	PPP INFRASTRUCTURE	0.325	0.325	0.000
2.608	28.6%	ONSITE	9.120	9.120	0.000
<b>30.632</b>	<b>31.3%</b>	<b>TOTAL</b>	<b>97.720</b>	<b>99.207</b>	<b>1.487</b>

**Summary of Subjective Costs**

Actual Exp. To 23/07/06 £m	Act. Exp to P4 as % of Ann Est	Detail	Annual Estimate 2006/07 £m	Projected Actual to 31/3/07 £m	Variance (Favourable) / Adverse £m
25.779	31.5%	EMPLOYEE COSTS	81.803	81.758	(0.045)
3.038	57.3%	PREMISES COSTS	5.298	5.332	0.034
1.219	24.0%	TRANSPORT COSTS	5.085	5.437	0.352
2.035	26.1%	SUPPLIES & SERVICES	7.784	7.800	0.016
1.659	19.5%	THIRD PARTY PAYMENTS	8.504	8.483	(0.021)
0.450	38.3%	TRANSFER PAYMENTS	1.175	1.125	(0.050)
<b>34.180</b>	<b>31.2%</b>	<b>TOTAL EXPENDITURE</b>	<b>109.649</b>	<b>109.935</b>	<b>0.286</b>
- 3.548	29.7%	INCOME	(11.929)	(10.728)	1.201
<b>30.632</b>	<b>31.3%</b>	<b>NET EXPENDITURE</b>	<b>97.720</b>	<b>99.207</b>	<b>1.487</b>

**3. ANALYSIS OF VARIANCES****3.1 Position as at 23 July 2006 (Period 4)****3.1.1 Employee Costs**

There is a projected net underspend of £0.045m.

Savings have arisen from vacant posts and staff turnover within Early Years, Community Learning and Development and Youth Strategy, offsetting an additional teaching cost in the Special Education Service.

### **3.1.2 Premises Related Expenditure**

The projected property overspend is £0.034m arising from additional costs in relation to the Mauchline Primary School decant.

### **3.1.3 Transport Related Expenditure**

Additional Transport Costs totalling £0.352m 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. This transport includes taxis, specialist tail lift vehicles and small buses.

The additional cost for the temporary employment of alternative contractors for May and June 2006 amounted to £0.240m and the cost of Transport contracts up for renewal from the summer of 2006 has resulted in additional expenditure of £0.108m for the remainder of the financial year.

### **3.1.4 Supplies and Services**

The additional costs of £0.016m relate to the Mauchline Primary School decant.

### **3.1.5 Third Party Payments**

There is a current projected underspend of £0.021m for the Outwith Placement commitments based on the current uptake.

### **3.1.6 Transfer Payments**

At this stage the current commitment to payment of bursaries is £0.050m less than budgeted.

### **3.1.7 Income**

The total income deficit of £1.201m mainly relates to the unallocated budget deficits for Education.

A sum of £1.054m represents the deficit balance after input of the total Education budget requirements for the financial year.

The additional budgeted costs include those for School Transport costs and withdrawal of temporary funding from the Scottish Executive of £0.266m for incremental changes to the cost of Quality Improvement Officers and Educational Psychologists, additional support staff in schools and increases in SQA charges.

