

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE - 6 FEBRUARY 2001

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 15 DECEMBER 2000 (PERIOD 9)

Joint Report by Director of Finance and 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 Education Services for the period ended 15 December 2000 (Period 9).

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 the available information it is currently projected that the Education Service will out-turn at £65,602, 789, which is £20,962 lower than the revised annual estimate figure of £65,623,751 at 31 March 2001.

2.3 Budget Performance to Period 9

The department's budget allocation has been increased to £65,623, 751. This adjustment reflects allocations from the Scottish Executive for Class Sizes and National Grid for Learning initiatives, under the Excellence Fund.

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.

Net expenditure to 15 December 2000 totals £45,351,553 compared to a budget of £46,722,856 resulting in a reported underspend to date of £1,371,303. This is principally due to timing of expenditure which is projected to out-turn on budget at 31 March 2001. Examples include delays in receiving bills from outside bodies for SEN outwith placements and early receipt of income for projects supported by the New Opportunity Fund.

Although the schools sectors show favourable variances at 15 December, the department's Scheme of Delegation allows for savings in one budget heading to be utilised at the discretion of the Head Teacher, in conjunction with the Director of Educational and Social Services. As a result of this, the projected spend for schools matches resources allocated for the year, unless otherwise highlighted by the Director of Educational and Social Services. This would include items such as teachers' average salary savings.

2.4 Summary of Objective Costs

	Budget Expend to 15-Dec-00 Period 9	Actual Expend to 15-Dec-00 Period 9	Variance Expend to 15-Dec-00 Period 9	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Central Administration	787,936	637,716	(150,220)	1,130,391	1,130,391	0	0.00
Pre-Fives' Provision	1,094,896	824,632	(270,264)	1,467,990	1,238,826	(229,164)	(15.61)
Primary Schools	18,218,304	18,012,998	(205,306)	25,024,148	25,007,764	(16,384)	(0.07)
Secondary Schools	20,435,369	20,072,393	(362,976)	28,190,218	28,191,452	1,234	0.00
Special Education	3,533,566	3,275,585	(257,981)	5,211,550	5,336,733	125,183	2.40
Other Education	278,074	210,478	(67,596)	341,740	296,086	(45,654)	(13.36)
Psychological Services	326,928	357,924	30,996	450,621	502,052	51,431	11.41
Quality Development	207,096	191,544	(15,552)	352,746	404,912	52,166	14.79
Community Education	1,512,656	1,501,669	(10,987)	2,431,905	2,434,695	2,790	0.12
Youth Strategy	176,877	151,918	(24,959)	93,529	130,965	37,436	40.03
New Community Schools	101,659	53,845	(47,814)	200,003	200,003	0	0.00
Modern Languages	49,495	60,851	11,356	728,910	728,910	0	0.00
NET EXPENDITURE	46,722,856	45,351,553	(1,371,303)	65,623,751	65,602,789	(20,962)	(0.03)

2.5 Summary of Subjective Costs

	Budget Expend to 15-Dec-00 Period 9	Actual Expend to 15-Dec-00 Period 9	Variance Expend to 15-Dec-00 Period 9	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Employee Costs	35,430,094	34,644,081	(786,013)	48,857,111	48,232,767	(624,344)	(1.28)
Property Costs	5,902,234	5,953,508	51,274	8,165,347	8,333,933	168,586	2.07
Transport Costs	2,285,303	2,259,498	(25,805)	3,218,962	3,278,122	59,160	1.84
Supplies & Services	3,785,471	3,808,613	23,142	5,965,379	6,252,027	286,648	4.81
Administration Costs	355,232	310,637	(44,595)	547,782	558,496	10,714	1.96
Payments to Other Bodies	2,665,257	2,925,070	259,813	4,443,131	5,913,614	1,470,483	33.10
TOTAL EXPENDITURE	50,423,591	49,901,407	(522,184)	71,197,712	72,568,959	1,371,247	1.93
Income	(3,700,735)	(4,549,854)	(849,119)	(5,573,961)	(6,966,170)	(1,392,209)	24.98
NET EXPENDITURE	46,722,856	45,351,553	(1,371,303)	65,623,751	65,602,789	(20,962)	(0.03)

3. ANALYSIS OF VARIANCES

3.1 Position as at 15 December (Period 9)

3.1.1 Employee Costs

The current underspend of £786,013 is due to the phased implementation of new initiatives, and absence costs lower than budget. In addition there are vacant teaching and APT&C posts within the schools sector, which under the Scheme of Delegation may be utilised elsewhere by Head Teachers.

The projected underspend of £624,344 includes lower than budgeted employer's Superannuation and National Insurance costs for APT & C staff, savings resulting from a reduction in the pupil roll, lower than budgeted teachers' average salaries and one off miscellaneous savings.

This has allowed the Director of Educational and Social Services to identify spare capacity within the Employee budgets and revise spending allocations in order to meet priority areas within other budget lines (see below).

3.1.2 Property Costs

The adverse variance of £51,274 relates to expenditure for energy costs and a higher than budgeted increase in Water Rates charges across all sectors. It is projected that these issues will result in an adverse variance of £168,586.

3.1.3 Transport Costs

The underspend at Period 9 of £25,805 is caused by lower than budgeted staff travel in the schools sector. As previously mentioned, the Scheme of Delegation allows for any saving to be utilised elsewhere by the Head Teacher. There is also a refund from SPTE for pupil transport for 1999/2000, which will be offset by increased SEN pupil transport costs, estimated to be £60,000.

The reported overspend of £56,160 is due in part to higher than budgeted staff travel costs in non-schools sectors.

3.1.4 Supplies and Services

The Period 9 variance results from spending on school activities, which is offset by increased income (see below). There are also higher than budgeted catering charges for Pre Five establishments.

The projected out-turn shows an overspend of £286,648 which is due in part to the additional costs of school activities and catering costs.

3.1.5 Administration Costs

The underspend at Period 9 is partly due to timing of expenditure in the year. The projected out-turn is an overspend of £10,714 at the 31 March 2001, due to increased expenditure for advertising, printing and stationary .

3.1.6 Payments to Other Bodies

The current overspend of £259,813 relates to costs incurred through the Education Maintenance Allowance (EMA) scheme which are met in full by the Scottish Executive. The costs are partially offset by current underspends in relation to outside agencies in the Pre Five, Youth Strategy and Special sectors

The projected overspend of £1,470,483 is due to the costs of the EMA, which is offset by the over-recovery of income referred to at paragraph 3.17 below, additional spending for the Childcare Strategy initiative and an increase in costs of purchasing outwith mainstream education provision from external suppliers.

3.1.7 Income

The current over-recovery of £849,119 is due to the receipt of New Opportunity Fund monies, increased income for school activities programmes and funding for the EMA scheme. These are offset by lower than budgeted income from other authorities for use of Special Education Needs (SEN) establishments.

The projected over recovery of income of £1,392,210 is due to the funding for EMA and school activities spending, partially offset by SEN charges.

3.2 Projected Out-turn

This report highlights a number of budgetary pressures. The Director of Educational and Social Services continues to take positive action to ensure that quality service provision is achieved within resources allocated for the year. The projected out-turn of £65,602,789 is based on all currently available information.

4. RECOMMENDATIONS

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

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Director of Finance

John Mulgrew
Director of Educational and Social Services

25 January 2001
AMcP/EC

LIST OF BACKGROUND PAPERS NIL

Members wishing further information should contact Alex McPhee, Financial Services Manager, Tel: (01563 576848) or Euan Couperwhite, Departmental Finance Manager, Tel: (01563 573367).

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AGENDA