

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 3 APRIL 2001

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 9 FEBRUARY 2001 (PERIOD 11)

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 9 February 2001 (Period 11).

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 £65,967,398, which is £62,548 lower than the revised annual estimate figure of £66,029,946 at 31 March 2001.

2.3 Budget Performance to Period 11

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 9 February 2001 totals £52,078,593 compared to a budget of £54,284,476 resulting in a reported underspend to date of £2,205,883. 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 9 February, 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 09-Feb-01 Period 11	Actual Expend to 09-Feb-01 Period 11	Variance Expend to 09-Feb-01 Period 11	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Central Administration	943,229	941,036	(2,193)	1,130,391	1,198,236	67,845	6.00
Pre-Fives' Provision	1,125,346	908,824	(216,522)	1,467,990	1,360,279	(107,711)	-7.34
Primary Schools	20,912,633	20,417,356	(495,277)	25,026,957	24,884,537	(142,420)	-0.57
Secondary Schools	23,552,244	22,502,258	(1,049,986)	28,599,707	28,491,174	(108,533)	-0.38
Special Education	4,293,968	4,001,591	(292,377)	5,208,359	5,390,657	182,298	3.50
Other Education	374,149	395,094	20,945	341,740	369,733	27,993	8.19
Psychological Services	377,286	448,144	70,858	450,621	522,001	71,380	15.84
Quality Development	251,017	225,527	(25,490)	349,834	372,122	22,288	6.37
Community Education	1,836,776	1,828,645	(8,131)	2,431,905	2,328,655	(103,250)	-4.25
Youth Strategy	216,856	237,266	20,410	93,529	121,015	27,486	29.39
New Community Schools	145,213	101,958	(43,255)	200,003	200,079	76	0.04
Modern Languages	255,759	70,894	(184,865)	728,910	728,910	0	0.00
NET EXPENDITURE	54,284,476	52,078,593	(2,205,883)	66,029,946	65,967,398	(62,548)	-0.10

2.5 Summary of Subjective Costs

	Budget Expend to 09-Feb-01 Period 11	Actual Expend to 09-Feb-01 Period 11	Variance Expend to 09-Feb-01 Period 11	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Employee Costs	40,896,861	39,570,305	(1,326,556)	48,868,772	48,204,870	(663,902)	-1.36
Property Costs	6,775,446	6,825,096	49,650	8,573,815	8,697,323	123,508	1.44
Transport Costs	2,469,418	2,444,904	(24,514)	3,214,252	3,283,743	69,491	2.16
Supplies & Services	4,790,116	4,789,313	(803)	5,983,809	6,288,558	304,749	5.09
Administration Costs	401,100	384,922	(16,178)	544,305	585,735	41,430	7.61
Payments to Other Bodies	3,328,623	3,757,717	429,094	4,444,931	6,045,812	1,600,881	36.02
TOTAL EXPENDITURE	58,661,564	57,772,257	(889,307)	71,629,884	73,106,041	1,476,157	2.06
Income	(4,377,088)	(5,693,664)	(1,316,576)	(5,599,938)	(7,138,643)	(1,538,705)	27.48
NET EXPENDITURE	54,284,476	52,078,593	(2,205,883)	66,029,946	65,967,398	(62,548)	-0.10

3. ANALYSIS OF VARIANCES

3.1 Position as at 9 February 2001 (Period 11)

3.1.1 Employee Costs

The current underspend of £1,326,556 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 £663,902 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 projection 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 £49,650 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 £123,508.

3.1.3 Transport Costs

The underspend at Period 11 of £24,514 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 £69,491 is due in part to higher than budgeted staff travel costs in non-schools sectors.

3.1.4 Supplies and Services

The Period 11 favourable variance of £803 is largely due to the timing of expenditure on Modern Languages offset by additional spending on school activities, which is in turn 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 £304,749 which is largely due to the additional costs of school activities and catering costs.

3.1.5 Administration Costs

The underspend at Period 11 is partly due to timing of expenditure in the year. The projected out-turn is an overspend of £41,430 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 £429,094 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 £1,600,881 is due to the costs of the EMA, which is offset by the over-recovery of income referred to at paragraph 3.17 below. In

addition, increased spending for the Childcare Strategy initiative and an increase in costs of purchasing outwith mainstream education provision from external suppliers is projected.

3.1.7 Income

The current over-recovery of £1,316,576 is mainly due to 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 £1,538,705 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 £65,967,398 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.

Alex McPhee
Director of Finance

John Mulgrew
Director of Educational and Social Services

15 March 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).

Implementation Officers Tom McHugh, Head of Accounting
 Allan McDougall, Head of Resource Support

AGENDA