

## **EAST AYRSHIRE COUNCIL**

**EDUCATION COMMITTEE – 14 NOVEMBER 2000**

**BUDGETARY CONTROL SUMMARY STATEMENT  
EDUCATION TO 22 SEPTEMBER 2000 (PERIOD 6)**

**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 22 September 2000 (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.

#### **2.2 Projected Out-turn**

Based on all the available information it is currently projected that the Education Service will out-turn on the revised annual estimate figure of £65,067,521 at 31 March 2001.

#### **2.3 Budget Performance to Period 6**

The Education Service's original budget allocation has been adjusted to £65,067,521. These adjustments arise from the Council restructuring on 1 July 2000, which includes the transfer of properties from Community Services.

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 Education 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 22 September 2000 totals £27,590,383 compared to a budget of £29,235,457 resulting in a reported underspend to date of £1,645,074.

## 24 Summary of Objective Costs

	Budget Expend to 22-Sep-00 Period 6	Actual Expend to 22-Sep-00 Period 6	Variance Expend to 22-Sep-00 Period 6	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Central Administration	506,533	433,316	(73,217)	1,131,933	1,152,106	20,173	1.78
Pre-Fives' Provision	247,451	120,640	(126,811)	1,365,490	1,383,727	18,237	1.34
Primary Schools	11,553,705	11,165,011	(388,694)	24,573,000	24,401,938	(171,062)	-0.70
Secondary Schools	13,270,088	12,315,162	(954,926)	28,138,730	28,077,411	(61,319)	-0.22
Special Education	2,247,786	2,176,392	(71,394)	5,211,560	5,286,530	74,970	1.44
Other Education	133,177	165,092	31,915	341,740	341,740	0	0.00
Psychological Services	218,440	232,544	14,104	450,621	490,621	40,000	8.88
Quality Development	18,059	31,999	13,940	354,010	398,010	44,000	12.43
Community Education	910,725	823,201	(87,524)	2,431,905	2,466,906	35,001	1.44
Youth Strategy	71,911	85,419	13,508	93,529	93,529	0	0.00
New Community Schools	32,932	19,879	(13,053)	200,003	200,003	0	0.00
Modern Languages	24,650	21,728	(2,922)	775,000	775,000	0	0.00
<b>NET EXPENDITURE</b>	<b>29,235,457</b>	<b>27,590,383</b>	<b>(1,645,074)</b>	<b>65,067,521</b>	<b>65,067,521</b>	<b>0</b>	<b>0.00</b>

## 25 Summary of Subjective Costs

	Budget Expend to 22-Sep-00 Period 6	Actual Expend to 22-Sep-00 Period 6	Variance Expend to 22-Sep-00 Period 6	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Employee Costs	23,725,552	22,472,112	(1,253,440)	48,641,025	48,204,136	(436,889)	-0.90
Property Costs	2,449,180	2,407,277	(41,903)	8,111,038	8,149,586	38,548	0.48
Transport Costs	1,503,867	1,443,995	(59,872)	3,233,230	3,249,930	16,700	0.52
Supplies & Services	2,255,730	2,275,317	19,587	5,863,221	5,924,185	60,964	1.04
Administration Costs	198,042	219,600	21,558	535,139	551,012	15,873	2.97
Payments to Other Bodies	1,583,709	1,885,055	301,346	4,397,180	5,863,355	1,466,175	33.34
<b>TOTAL EXPENDITURE</b>	<b>31,716,080</b>	<b>30,703,356</b>	<b>(1,012,724)</b>	<b>70,780,833</b>	<b>71,942,204</b>	<b>1,161,371</b>	<b>1.64</b>
Income	(2,480,623)	(3,112,973)	(632,350)	(5,713,312)	(6,874,683)	(1,161,371)	20.33
<b>NET EXPENDITURE</b>	<b>29,235,457</b>	<b>27,590,383</b>	<b>(1,645,074)</b>	<b>65,067,521</b>	<b>65,067,521</b>	<b>0</b>	<b>0.00</b>

### 3. ANALYSIS OF VARIANCES

#### 3.1 Position as at 22 September (Period 6)

##### 3.1.1 Employee Costs

The current underspend of £1,253,440 is due to the phased implementation of new initiatives, and absence costs lower than budget. In addition there are vacant APT & C posts within the schools sector, which under the Scheme of Delegation may be utilised elsewhere by Head Teachers.

The projected underspend of £436,889 includes savings generated by pupil roll adjustments, 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 favourable variance of £41,903 relates to timing of expenditure for energy costs across all sectors. The projected overspend of £38,548 is due to known higher than budgeted energy costs in Community Education.

### **3.1.3 Transport Costs**

The underspend at Period 6 of £59,872 is caused by a refund from SPTE for pupil transport for 1999/2000. This refund will be offset by increased SEN pupil transport costs, which are estimated to be £60,000. The reported overspend of £16,700 is due to higher than budgeted staff travel costs.

### **3.1.4 Supplies and Services**

The Period 6 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 £60,964 is due to the additional costs of school activities and catering costs.

### **3.1.5 Administration Costs**

The overspend at Period 6 is due to higher than budgeted printing and stationery costs. This is projected to result in an overspend of £15,873 at the 31 March 2001.

### **3.1.6 Payments to Other Bodies**

As previously reported to the Education Committee payments to students through the Education Maintenance Allowance (EMA) scheme makes up the majority of this overspend. However the Scottish Executive meets the full costs of this pilot study.

The projected out-turn shows an overspend of £1,466,175 predominantly due to the costs of the EMA and spending for the Childcare strategy initiative.

### **3.1.7 Income**

The current over-recovery of £632,250 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 school meals income and charges to other authorities for use of Special Education Needs (SEN) establishments.

The projected over recovery of income of £1,161,371 is due to the funding for EMA and school activities spending partially offset by lower than budgeted income for school meals and SEN charges.

### **3.2 Projected Out-turn**

As has been highlighted previously in this report the Education service faces a number of budgetary pressures. In order to address such pressures the Director continues to take positive action to ensure that the desired service delivery can be achieved within the revised annual budget. The projected out-turn of £65,067,521 is based on all currently available information, and any alterations to projections will be reported to Committee at the earliest opportunity.

## **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**

EC/AMcP  
27October 2000

### **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 Officer      Tom McHugh, Head of Accounting  
Allan McDougall, Head of Resource Support

**AGENDA**