

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 13 NOVEMBER 2001

BUDGETARY PROGRESS REPORT EDUCATION TO 23 SEPTEMBER 2001 (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 23 September 2001 (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 budget at £70,597,290 at 31 March 2002.

2.3 Budget Performance to Period 6

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 23 September 2001 totals £31,037,724 compared to a budget of £32,543,758 resulting in a reported underspend to date of £1,506,034. This is principally due to timing of expenditure, which is projected to out-turn on budget at 31 March 2002.

Although the schools sectors show favourable variances at 23 September, 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.

2.4 Summary of Objective Costs

	Budget Expend to 23-Sep-01	Actual Expend to 23-Sep-01	Variance Expend to 23-Sep-01	Revised Annual Estimate	Projected Actual	Variance	
	Period 6	Period 6	Period 6	2001/02	2001/02		
	£	£	£	£	£	£	%
Central Administration	591,312	357,414	(233,898)	1,572,398	1,602,827	30,429	1.94
Pre-Fives' Provision	650,197	486,913	(163,284)	1,719,470	1,642,029	(77,441)	-4.50
Primary Schools	12,587,710	12,200,968	(386,742)	26,646,014	26,679,106	33,092	0.12
Secondary Schools	14,374,278	13,878,486	(495,792)	30,023,067	29,879,584	(143,483)	-0.48
Special Education	2,308,097	2,361,385	53,288	5,645,079	5,735,789	90,710	1.61
Other Education	176,942	232,950	56,008	345,580	395,332	49,752	14.40
Psychological Services	211,783	207,167	(4,616)	429,570	411,291	(18,279)	-4.26
Quality Development	157,084	115,380	(41,704)	554,862	541,764	(13,098)	-2.36
Community Support	999,795	888,749	(111,046)	2,469,460	2,490,693	21,233	0.86
Community Halls	52,523	50,310	(2,213)	152,880	153,920	1,040	0.68
Youth Strategy	112,844	122,516	9,672	268,910	294,955	26,045	9.69
New Community Schools	192,191	85,077	(107,114)	400,000	400,000	0	0.00
Modern Languages	129,002	50,409	(78,593)	370,000	370,000	0	0.00
NET EXPENDITURE	32,543,758	31,037,724	(1,506,034)	70,597,290	70,597,290	0	0.00

2.5 Summary of Subjective Costs

	Budget Expend to 23-Sep-01	Actual Expend to 23-Sep-01	Variance Expend to 23-Sep-01	Revised Annual Estimate	Projected Actual	Variance	
	Period 6	Period 6	Period 6	2001/02	2001/02		
	£	£	£	£	£	£	%
Employee Costs	26,431,671	25,720,900	(710,771)	53,837,444	53,465,135	(372,309)	-0.69
Property Costs	2,552,282	2,311,089	(241,193)	7,865,366	7,981,551	116,185	1.48
Transport Costs	1,596,766	1,555,709	(41,057)	3,599,405	3,622,371	22,966	0.64
Supplies & Services	2,241,120	2,160,722	(80,398)	5,190,274	5,519,618	329,344	6.35
Administration Costs	299,120	177,291	(121,829)	661,957	686,508	24,551	3.71
Payments to Other Bodies	2,632,202	2,286,478	(345,724)	6,183,078	6,336,781	153,703	2.49
TOTAL EXPENDITURE	35,753,161	34,212,189	(1,540,972)	77,337,524	77,611,964	274,440	0.36
Income	(3,209,403)	(3,174,465)	34,938	(6,740,234)	(7,014,674)	(274,440)	4.07
NET EXPENDITURE	32,543,758	31,037,724	(1,506,034)	70,597,290	70,597,290	0	0.00

3. ANALYSIS OF VARIANCES

3.1 Position as at 23 September 2001 (Period 6)

3.1.1 Employee Costs

The current underspend of £710,771 is mainly due to the phased implementation of new initiatives as well as absence costs less than budget.

The projected underspend is based on the current level of savings in Employee Costs. Due to the devolved nature of school budgets, any underspend will be counter-balanced by spending in other headings.

3.1.2 Property Costs

The favourable variance of £241,193 relates to seasonal expenditure on energy costs and insurance recovery receipts in advance of final invoiced cost. Higher than budgeted increase in Water Rates & Sewerage charges across all sectors, together with higher than anticipated Contract Janitorial Service costs and higher energy costs, results in a projected adverse variance of £116,185.

3.1.3 Transport Costs

The underspend at Period 6 of £41,057 is caused by lower than budgeted staff travel in the schools sector. The Scheme of Delegation allows for any saving to be utilised elsewhere by the Head Teacher. At the end of the financial year it is anticipated that costs will exceed budget by £22,966, mainly due to higher than budgeted inflationary uplifts in respect of contract transport. This increased expenditure occurs mainly in the Special Educational Needs sector and is unavoidable.

3.1.4 Supplies and Services

The Period 6 favourable variance of £80,398 is largely due to the timing of expenditure.

The projected out-turn shows an overspend of £329,344 which is largely due to the additional costs of school activities and catering costs, most of which is offset by compensating increased income.

3.1.5 Administration Costs

The underspend of £121,828 at Period 6 is mainly due to timing of expenditure in the year. The projected out-turn is an overspend of £24,551 at 31 March 2002, due to increased expenditure for advertising, telephone, printing and stationery and provision for bad debts.

3.1.6 Payments to Other Bodies

The underspend to date of £345,724 largely relates to timing of expenditure.

The projected overspend of £153,703 is largely due to the costs of SQA Examination fees which are considerably in excess of budget. This is mainly attributable to the increase in the number of pupils sitting examinations and results from the success of the Educational Maintenance Allowance (EMA) scheme.

3.1.7 Income

The current under-recovery of £34,938 is mainly due to timing issues.

The projected over-recovery of £274,440 is due to additional income for school activities, catering income and other miscellaneous income.

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 £70,597,290 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

1 November 2001
AMcP / BC

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