

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 11 NOVEMBER 2003

BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 21 SEPTEMBER 2003 (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 21 September 2003 (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 available information it is currently projected that the Education Service will out-turn at £82,629,155, which is £633,000 greater than the annual estimate for the year.

2.3 Budget Performance to Period 6

The net expenditure to date amounts to £38,878,131 compared to a budget of £39,557,588 resulting in the actual expenditure being £679,457 less than the budgeted.

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.

2.4 Summary of Objective Costs

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2.5 Summary of Subjective Costs

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3. ANALYSIS OF VARIANCES

3.1 Position as at 21 September 2003 (Period 6)

3.1.1 Employee Costs

The current underspend of £638,929 is mainly due to the reduction in Teachers' salaries during the summer term within Secondary Schools, together with outstanding recharges from other local authorities for Technicians. The projected additional cost for the year of £169,000 includes the sum of £160,000 for the Nursery Nurses pay settlement.

3.1.2 Premises Costs

The current underspend of £169,680 is mainly due to the profiling of energy charges and outstanding recharges for janitors.

3.1.3 Transport Related Costs

The underspend at Period 6 of £33,317 is mainly due to a current underspend on car allowances and transport recharges.

3.1.4 Supplies and Services

The Period 6 positive variance of £285,846 is largely due to current underspends on in service training, classroom supplies and catering recharges which are offsetting additional exam fee costs of £96,000. These additional exam fee costs can be attributed to the success of the Education Maintenance Allowance scheme. Discussions are ongoing to seek Scottish Executive funding for the increased Scottish Qualification Authority fees. If the approach to the Scottish Executive is unsuccessful, this £96,000 will be an additional cost to the Service. The projected additional cost for the year of £25,000 is for School links, the cost of which will be offset by the additional income reported below.

3.1.5 Third Party Payments

The current overspend of £404,326 is largely due to the commitment to Special Educational Needs and outwith placements. It is anticipated that additional costs

greater than budgeted of £473,000 will be required to meet the demand for places in the financial year.

There is also a projected additional cost for the year of £22,000 for Arts and Culture projects, the cost of which will be offset by the additional income reported below.

3.1.6 Transfer Payments

The current favourable variance of £37,747 relates to payment of bursaries.

3.1.7 Income

The current under-recovery of £81,736 is largely due to the timing of receipt of income for School Meals and Special Educational Needs income from other Local authorities. The projected additional income for the year of £56,000 is for the recovery of income relating to the sports co-ordination project.

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

20 October 2003
AMcP / CJ / EC

LIST OF BACKGROUND PAPERS

NIL

Members wishing further information should contact Chris Johnston, Education Finance Manager, Tel: (01563 573731) or Euan Couperwhite, Head of Resource Support, Tel: (01563 576090).

Implementation Officers Euan Couperwhite, Head of Resource Support
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