

EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 19 SEPTEMBER 2000

BUDGETARY CONTROL SUMMARY STATEMENT
EDUCATION TO 28 JULY 2000 (PERIOD 4)

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 28 July 2000 (Period 4).

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 Budget Performance to Period 4

The Education Service's original budget allocation has been adjusted to £65,024,592 to allow for new initiatives such as Additional Resources for Schools and Excellence Fund Special Programme - Modern Languages. These initiatives are both fully funded by the Scottish Executive.

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 28 July totals £18,968,195 compared to a budget of £19,347,208 resulting in a reported underspend to date of £379,013.

2.3 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 £65,024,592 at 31 March 2001.

2.4 Summary of Objective Costs							
	Budget Expend to 28-Jul-00 Period 4	Actual Expend to 28-Jul-00 Period 4	Variance Expend to 28-Jul-00 Period 4	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Central Administration	387,811	366,049	(21,762)	1,237,852	1,237,852	0	0.00
Pre-Fives' Provision	284,823	108,037	(176,786)	1,365,490	1,365,490	0	0.00
Primary Schools	7,479,042	7,514,120	35,078	24,573,000	24,573,000	0	0.00
Secondary Schools	8,580,233	8,397,331	(182,902)	28,138,730	28,138,730	0	0.00
Special Education	1,563,946	1,461,163	(102,783)	5,211,560	5,211,560	0	0.00
Other Education	75,299	194,439	119,140	341,740	341,740	0	0.00
Psychological Services	152,857	155,855	2,998	450,621	450,621	0	0.00
Quality Development	186,983	171,365	(15,618)	354,010	354,010	0	0.00
Community Education	558,342	524,389	(33,953)	2,282,980	2,282,980	0	0.00
Youth Strategy	47,251	50,232	2,981	93,529	93,529	0	0.00
New Community Schools	21,937	16,584	(5,353)	200,080	200,080	0	0.00
Modern Languages	8,684	8,631	(53)	775,000	775,000	0	0.00
NET EXPENDITURE	19,347,208	18,968,195	(379,013)	65,024,592	65,024,592	0	0.00
2.5 Summary of Subjective Costs							
	Budget Expend to 28-Jul-00 Period 4	Actual Expend to 28-Jul-00 Period 4	Variance Expend to 28-Jul-00 Period 4	Revised Annual Estimate 2000/01	Projected Actual 2000/01	Variance	
	£	£	£	£	£	£	%
Employee Costs	15,766,102	15,341,563	(424,539)	48,692,482	48,692,482	0	0.00
Property Costs	1,622,826	1,618,699	(4,127)	8,016,300	8,016,300	0	0.00
Transport Costs	887,516	800,012	(87,504)	3,233,230	3,233,230	0	0.00
Supplies & Services	1,476,110	1,486,706	10,596	5,862,380	5,897,065	34,685	0.59
Administration Costs	122,142	122,252	110	532,640	534,652	2,012	0.38
Payments to Other Bodies	970,308	1,253,619	283,311	4,397,180	5,558,090	1,160,910	26.40
TOTAL EXPENDITURE	20,845,004	20,622,851	(222,153)	70,734,212	71,931,819	1,197,607	1.69
Income	(1,497,796)	(1,654,656)	(156,860)	(5,709,620)	(6,907,227)	(1,197,607)	20.98
NET EXPENDITURE	19,347,208	18,968,195	(379,013)	65,024,592	65,024,592	0	0.00

3. ANALYSIS OF VARIANCES

3.1 Position as at 28 July (Period 4)

3.1.1 Employee Costs

Within APT & C staffing lines there are a number of vacancies across all sectors, including 2 Depute director posts. Members will be aware that budget adjustments are being processed to align the new department's directorate budget with actual costs.

Analysis is currently being undertaken to ascertain the cost on SEN auxiliaries across the schools sectors. Early indications are that expenditure on this needs driven service will be approximately £60,000 over budget, although this figure will be confirmed to Committee at the earliest opportunity. As with previous years efforts are being made to contain this expenditure within the service's total budget.

The current underspend also relates to lower than budgeted absence cover costs for teachers. It is assumed that this expenditure will out-turn on budget.

3.1.2 Transport Costs

The current underspend at Period 4 of £ 87,504 is caused by a refund from SPTE for pupil transport for 1999/2000. However, indications have been received from SEN transport contractors that contract prices will be raised from the start of the new academic year and this income will be used to offset any increase in costs.

3.1.3 Supplies and Services

The reported variance results from spending on school activities, which is offset by increased income (see paragraph 3.1.5 below).

The projected out-turn shows an overspend of £34,685 which is due to the additional costs of School Activities.

3.1.4 Payments to Other Bodies

This overspend occurs from payments to students through the Education Maintenance Allowance (EMA) scheme. Members will note that this is the second year of a three-year pilot study, with all costs being fully funded by the Scottish Executive.

The projected out-turn shows an overspend of £1,160,910 due to the costs of the EMA. The projection may be subject to fluctuation depending on the take up rate in the new academic year.

3.1.5 Income

The current over-recovery of £156,860 is due to the early receipt of Pre Five Grant and increased income for school activities programmes.

The projected over recovery of income of £1,197,607 is due to the funding for EMA and school activities spending. This additional income will be used to offsets the expenditure reported in 3.1.3 and 3.1.4 above.

3.2 Projected Out-turn

The Education service faces a number of budgetary pressures, such as the funding of SEN auxiliary costs. The Director of Educational and Social Services, however, continues to take positive action to control all expenditure and to ensure that all potential income is realised.

The projected out-turn of £65,024,592 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
28 August 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).

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AGENDA