

# EAST AYRSHIRE COUNCIL

EDUCATION COMMITTEE – 16 SEPTEMBER 2003

## BUDGETARY CONTROL SUMMARY STATEMENT EDUCATION TO 27 JULY 2003 (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 27 July 2003 (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 Projected Out-turn

Based on all available information it is currently projected that the Education Service will out-turn at £82,434,155, which is £538,000 greater than the annual estimate for the year.

#### 2.3 Budget Performance to Period 4

The net expenditure to date amounts to £27,844,473 compared to a budget of £27,453,038 resulting in the actual expenditure being greater than the budget by £391,435.

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 27 July 2003 (Period 4)

#### 3.1.1 Employee Costs

The current underspend of £208,243 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 £23,000 is for a specific project, the cost of which will be offset by the additional income reported below.

#### 3.1.2 Premises Costs

The current additional cost of £40,911 is mainly due to current expenditure which will be funded by the Better Neighbourhoods Services Fund.

#### 3.1.3 Transport Related Costs

The underspend at Period 4 of £143,098 is mainly due to the timing of Transport Contract payments.

#### 3.1.4 Supplies and Services

The Period 4 adverse variance of £335,234 is largely due to the phasing of and the additional cost of exam fees. The additional exam fee cost is £91,000 which is a direct result of the success of 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 £91,000 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 £108,779 is largely due to the commitment to Special Educational Needs and outwith placements. It is anticipated that additional costs greater than budgeted of £538,000 will be required to meet the demand for

