

**REPORT TO: CHILDREN AND YOUNG PEOPLE'S SERVICES COMMITTEE
ON 7 OCTOBER 2009**

**SUBJECT: EDUCATIONAL SERVICES PPP BUDGET MONITORING
REPORT**

BY: DIRECTOR OF EDUCATIONAL SERVICES

1. REASON FOR REPORT

1.1 The purpose of this report is to provide a summary statement for the PPP Budget as at 31 August 2009.

1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to the consideration of Capital and Revenue budgets and long-term financial plans.

2. RECOMMENDATION

2.1 It is recommended that Committee considers and notes the actual expenditure to 31 August 2009 and the forecast revenue budget position at 31 March 2010, detailed in the report and in Appendix 1.

3. BACKGROUND

3.1 The budget of £408,000 per annum for the three year period to 31 March 2010, was approved at the meeting of The Moray Council on 13 September 2006 (para 24 refers). The PPP Budget is been managed over a three year cycle and the details in **Appendix 1** reflect this.

3.2 The monitoring statement shown as **Appendix 1** details the expenditure in the project to 31 August 2009. This currently shows 80% of the total budget having been spent and leaves an available budget balance of £249,051 to 31 March 2010.

3.3 An additional column has been added to **Appendix 1** to show the forecast spend for the year to 31 March 2010. Although an overspend of £255,375 is anticipated for 2009/10 overall over the 3 year period this overspend is anticipated to be £100,000 by 31 March 2010.

3.4 The main reason for this overspend is that the budget was set in 2006 before we knew that the project would have to be procured using the competitive dialogue process as demanded by Scottish Government. This has increased the need to use consultancy resource especially deselecting one of the bidders at interim submission which incurred higher costs for consultants than had been envisaged at the outset of the procurement.

3.5 The costs incurred in the evaluation of the bids has also been greater than anticipated, and it is expected that the Final Tender evaluation will demand a similar resource.

- 3.6 The figures shown in **Appendix 1** do not include costs incurred before 31 March 2007 when the current Outline Business Case was written. They also do not include any recharges of costs incurred by Financial and Legal Services in supporting the PPP project.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The Single Outcome Agreement local priority 10 – Efficiencies is evidenced by performance management, and the Service Improvement Plan commits to monitoring progress and reporting to this committee.

(b) Policy and Legal

None.

(c) Resources (Financial, Risks, Staffing and Property)

These are detailed in the report and in **Appendix 1**.

(d) Consultations

Consultations have taken place with the Head of Financial Services and the Senior Management Team within Educational Services whose comments have been incorporated in this report.

5. CONCLUSION

- 5.1 **The latest revenue monitoring statement to 31 August 2009 shows a total cumulative spend of £974,949 over 2007/08, 2008/09 and 2009/10 (being 80% of the total revenue budget).**

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Background Papers:

Ref: DMD/JR/Reports/Children and Young People's Services Committee/7 October 2009/Educational Services PPP Budget Monitoring Report

