

**REPORT TO: CHILDREN AND YOUNG PEOPLE'S SERVICES COMMITTEE ON  
2 DECEMBER 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 30 September 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 30 September 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 30 September 2009. This currently shows 90% of the total budget having been spent and leaves an available budget balance of £125,873 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 £99,591 by 31 March 2010.
- 3.4 As previously reported, the main reason for this overspend is that the budget was set in 2006 before it was known 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 30 September 2009 shows a total cumulative spend of £1,098,127 over 2007/08, 2008/09 and 2009/10 (being 90% of the total revenue budget).**

Author of Report: Andy Oliver, PPP Project Manager

Background Papers:

Ref: DMD/JR/Reports/Children and Young People's Services Committee/2  
December 2009/Educational Services PPP Budget Monitoring Report

**Schools PPP Budget Monitoring for the period 1 April to 30 September 2009**

	Cumulative Spend 2007/08 and 2008/09	2009/10			Cumulative Spend to Date	Forecast for 2009/10	Forecast for 3 year to 31 March 2010
	Actual to 31/03/09 £	Annual Budget £	Actual to date £	Percentage	Total £		
Staffing:							
Project Manager	108,236	88,543	44,264	50%	152,500	88,496	196,732
Adviser Technical	19,267	4,400	540	12%	19,807	1,200	20,467
Administrative	16,926	7,300	3,514	48%	20,440	6,900	23,826
Adviser Education	31,430	52,500	26,250	50%	57,680	52,379	83,809
Other Employee Costs	1,488	0	0	0%	1,488	0	1,488
Consultants	452,694	257,337	359,416	140%	812,110	496,500	949,194
Other Costs							
Property Costs	11,827	4,900	0	0%	11,827	4,400	16,227
Supplies and Services *	16,765	10,000	3,054	31%	19,819	11,000	27,765
Travel	1,583	3,000	873	29%	2,456	2,500	4,083
	<b>660,216</b>	<b>563,784</b>	<b>437,911</b>	<b>78%</b>	1,098,127	663,375	1,323,591
Budget					1,224,000	408,000	1,224,000
Available Balance to 31 March 2010					125,873		
Overspend for 2009/10						255,375	
Overspend for 3 years to 31 March 2010							99,591
* Administration and Supplies and Services have been amalgamated.							

