

**REPORT TO: CHILDREN & YOUNG PEOPLE'S SERVICES COMMITTEE ON
17 FEBRUARY 2010**

**SUBJECT: EDUCATIONAL SERVICES REVENUE 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 Educational Services Revenue Budget as at 31 December 2009.
- 1.2 This report is submitted to Committee in terms of Section D (14) 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 scrutinises and notes the budget position as at 31 December 2009 as detailed in the report and Appendix 1.**

3. BACKGROUND AND ANALYSIS

- 3.1 The variance in Education Central Services is due to underspends in Additional Grants, Nutrition in Schools, Clothing Grants and Repairs and Maintenance partly offset by overspends in Central Supply, and PPP. It is anticipated that the underspend in Repairs and Maintenance will, at the end of March, be transformed into an estimated overspend of £50,000. It is also estimated that the current £100,000 overspend in Teacher Supply costs will reach approx £200,000 by the end of March.
- 3.2 The variance in Community Learning and Development is due in the main to underspends in Arts/Cultural development, Dialogue Youth and Youth Work.
- 3.3 The variances in Secondary are due to underspends in Energy budgets which have been caused by the continued non presentation of accurate invoices on time by the supplier, (significant efforts continue in an attempt to resolve this delay) further underspends in staffing partly offset by overspends in Per Capita and DSM carry forwards.
- 3.4 The variance in Primary is also due to the Energy budget situation described above in Para 3.3 as well as a DSM carry-forward position and a staffing underspend partially offset by an overspend on Per Capita.

- 3.5 The variance in Additional Support Needs is due to an overspend in Additional Resource Packages offset by underspends in a variety of staffing elements.
- 3.6 The variance in Leisure is due to underspends in Energy budgets again related to the invoicing problems referred to above.
- 3.7 The overall year-end position at this stage is forecast to be an overspend of £297,000 which represents 0.3% of the overall £89,612,000 budget provision.
- 3.8 Members are advised that this estimated position may well alter significantly given the recent severe weather conditions which have resulted in :
- Additional Repairs & Maintenance works being required due to snow damage to buildings
 - Additional costs in terms of snow clearing by Roads department and external contractors in order to enable schools to re-open
 - Heating fuel usage being much higher than normal given the very low temperatures throughout the Christmas holiday period
 - Janitors' overtime costs due to very significant additional works to enable schools to reopen
 - Loss of income to Music Instruction service due to school closures
- 3.9 Members are further advised that a recent European Court ruling regarding holiday entitlement following maternity and/or sick leave will have implications for Teachers' Conditions of Service nationally. Initial calculations indicate that this may result in an additional financial burden for Moray of £300,000 per annum approximately. Discussions are under way nationally with regard to a commencement date and this may result in costs relating to financial year 2008-09 and 2009-10 having to be found. Further updates will be provided at regular intervals.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

The effective management of the Educational Services Budget is essential for services to be provided efficiently and effectively.

(b) Policy and Legal

None.

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

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

(d) Consultations

Deborah Brands, Principal Accountant, and the Educational Services Senior Management Team have been consulted and are in agreement with the contents of this report.

5. CONCLUSION

5.1 That Committee scrutinises and notes the budget position as at 31 December 2009 as detailed in the report and Appendix 1

Author of Report: Alistair C. Farquhar, Head of Educational Resource Services
Background Papers:
Ref: DMD/JR/Reports/Children and Young People's Services Committee/
17 February 2010/Educational Services Revenue Budget Monitoring
Report