



**REPORT TO: EDUCATION, CHILDREN'S AND LEISURE SERVICES
COMMITTEE ON 28 NOVEMBER 2023**

**SUBJECT: EDUCATION RESOURCES AND COMMUNITIES REVENUE
BUDGET MONITORING TO 30 SEPTEMBER 2023**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND
ORGANISATIONAL DEVELOPMENT)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of the budget position for Education Resources and Communities as at 30 September 2023.
- 1.2 This report is submitted to Committee in terms of Section III (A) (2) of the Council's Scheme of Administration 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 at 30 September 2023.**

3. BACKGROUND

- 3.1 The report highlights those areas of the budget where there is a significant percentage variance identified 30 September 2023.

4. BUDGET POSITION

- 4.1 The spend at 30 September 2023 is £7,128,000 against a budget to date of £7,233,000, giving an underspend of £105,000 as shown in **Appendix 1**.
- 4.2 The Covid-19 pandemic had a significant impact on income and a £500,000 reduction in the income budget for leisure facilities was approved as part of the budget report to Moray Council on 3 March 2021 (para 5 of the minute refers). The income budget was increased by £200,000 in 2023/24 and was expected to be back to pre-pandemic levels in 2024/25. Due to income being ahead of target by £186,000 at the end of quarter two the 2024/25 saving will be brought forward to 2023/24. The underspend on leisure income is reduced by an under achievement of libraries income £14,000 and an overspend on libraries licences £57,000. The service has reviewed all licences generating a saving in 2024/25.

- 4.3 The Public Private Partnership (PPP) overspend relates to a £7,000 underspend on non-performance deductions and unbudgeted spend on pension contributions of £8,000. As part of the contract there was agreement that if the pension rate for the staff transferred across went above the percentage in the contract the council would be liable for the additional costs, the £8,000 relates to the 3 years from 2021/22 to 2023/24. The rate is reviewed every 3 years and will be recalculated in 2024/25 for the next 3 years.

5 ESTIMATED OUTTURN

- 5.1 The estimated outturn for 2023/24 is £14,417,000 against a budget of £14,349,000 resulting in an estimated overspend for the year of £68,000.
- 5.3 The anticipated overspend on Culture, Sport and Leisure is an under achievement of libraries income £28,000, library licences overspend £57,000, The overspend is reduced by an over achievement of leisure income of £25,000 and other minor overspends.
- 5.4 The PPP overspend is £10,000 on non-performance contract deductions and pension contribution £8,000.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Education Resources and Communities Revenue Budget has particular reference to National Outcome 8 – we have improved the life chances for children, young people and families at risk.

(b) Policy and Legal

The Council has statutory responsibilities to meet educational needs, the needs of children and young people in need and those it looks after.

(c) Financial implications

The resource implications are set out in this report and at **Appendix 1**. The underspend as at 30 September 2023 is £105,000 against a budget to date of £7,233,000. The estimated year end position is expenditure of £14,417,000 against a budget of £14,349,000 resulting in an overspend of £68,000.

(d) Risk implications

Budget Managers are aware of their responsibilities for managing budget allocations and approval for any variances will be sought from Committee in line with the Financial Regulations.

(e) Staffing implications

There are no staffing implications associated with this report.

(f) Property

There are no property implications associated with this report.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not needed because the report is to inform the Committee on budget monitoring.

(h) Climate Change and Biodiversity Impacts

No climate change and biodiversity impacts arise directly from this report.

(i) Consultations

Chief Financial Officer and Caroline O'Connor, Committee Services Officer have been consulted and are in agreement with the contents of this report where it relates to their areas of responsibility.

7. CONCLUSION

7.1 That Committee scrutinises and notes the budget position as at 30 September 2023.

Author of Report: Andy Hall, Acting Head of Education Resources and Communities
Nicky Gosling, Accountant

Background Papers: with authors

Ref: SPMAN-9425411-300 / SPMAN-9425411-301