

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE

15th April 2009

Agenda Item	
Report No	

Request for Supplementary Estimate

**Joint Report by Director of Education, Culture and Sport
and Depute Chief Executive & Director of Finance**

Summary

The Resources Committee is asked to consider a request from the Education Culture and Sport Service for a supplementary estimate of £2.154m in 2008/09.

1. Introduction

- 1.1 Financial Regulation 11.1 requires "Service Directors to monitor and control Revenue budgets for their Service, and if necessary submit requests for supplementary estimates."
- 1.2 Guidance notes attached to the Financial Regulations state that Service Directors cannot overspend Service budgets without the express authority of the Council and are required to use budget virements to achieve a balanced budget. However where an overspend cannot be dealt with by means of virement within the Service then they are required in consultation with the Depute Chief Executive and Director of Finance to report the overspend position to the Committee.

2. Education, Culture and Sport Budget 2008/09

- 2.1 The Education Culture and Sport Committee on 12th March 2009 was informed that despite efforts by the ECS Management Team alternative compensatory savings could not be found to offset the following budget pressures:
 - Category Red Schools
 - Non achievement of energy savings
 - Non achievement of savings following retention of Roy Bridge PS
 - Delays in the achievement of savings from the administrative and clerical reviews
 - Delays in implementing school holiday cleaning proposals
 - Absence cover in relation to peripatetic specialist teachers
 - Shortfall in the anticipated savings in transferred costs to new PPP schools
 - Increase in school transport costs

2.2 After consideration the Committee agreed that efforts would continue to reduce potential overspend but that in terms of the Council's financial regulations it would be prudent to recognise the fact that these pressures could not be absorbed in full by the Service without significant implications for service delivery and that a supplementary estimate request of £2.154m was required.

3. Budget Pressures

3.1 The 2009/10 ECS Revenue Budget addresses a significant proportion of the budget pressures experienced and a longer timeframe for delivery of savings proposals means the budget going forward is soundly based.

4. Financial Implications

4.1 Any additional resources made available to a Service at this late stage in the financial year will have to be met from balances. However it may be possible at accounts closure to meet this overspend at least in part from underspends elsewhere.

5. Conclusion

5.1 In accordance with the Financial Regulations the Director of Education Culture and Sport in consultation with the Depute Chief Executive and Director of Finance has assessed that the Service is in an overspend situation which cannot be dealt with by means of virement. A request, fully supported by the Education Culture and Sport Committee, for a supplementary estimate of £2.154m to meet the assessed deficit is therefore submitted for financial year 2008/09.

Recommendation

The Committee is recommended to approve a supplementary estimate of £2.154m to the Education Culture and Sport Service for financial year 2008/09

Signatures: _____

Designation: Director of ECS Services Depute Chief Executive & Director of Finance

Date: 16th March 2009

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