



**Item: 3**

**Education, Leisure and Housing Committee: 13 November 2024.**

**Revenue Expenditure Monitoring.**

**Report by Head of Finance.**

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## **1. Overview**

- 1.1. On 11 March 2024, the Council set its overall revenue budget for financial year 2024/25. On 18 June 2024, the Policy and Resources Committee recommended approval of the detailed revenue budgets for 2024/25, which form the basis of the individual revenue expenditure monitoring reports.
- 1.2. Individual revenue expenditure monitoring reports are circulated every month to inform elected members of the up-to-date financial position. Quarterly revenue expenditure monitoring reports are presented to individual service committees.
- 1.3. In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.
- 1.4. Material variances are identified automatically as Priority Actions within individual budget cost centres according to the following criteria:
  - Variance of £10,000 and more than 110% or less than 90% of anticipated position (1B).
  - Not more than 110% or less than 90% of anticipated position but variance greater than £50,000 (1C).
- 1.5. Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan.
- 1.6. The details have been provided following consultation with the relevant Corporate Directors and their staff.
- 1.7. The figures quoted within the Budget Action Plan by way of the underspend (-) and overspend position will always relate to the position within the current month.

## 2. Recommendations

2.1. It is recommended that members of the Committee:

- i. Note the revenue expenditure monitoring statement in respect of service areas for which the Education, Leisure and Housing Committee is responsible, for the period 1 April to 30 September 2024, attached as Annex 1 to this report, indicating a net budget overspend position of £198,400, comprising the following:
  - Underspend of £275,400 against General Fund services.
  - Overspend of £473,800 against Non-General Fund services
- ii. Note the revenue financial detail by service area statement in respect of service areas for which the Education, Leisure and Housing Committee is responsible, for the period 1 April to 30 September 2024, attached as Annex 2 to this report.
- iii. Scrutinise the explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 3 to this report, in order to obtain assurance that appropriate action is being taken with regard to significant budget variances.

### For Further Information please contact:

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### Implications of Report

1. **Financial** The Financial Regulations state that Corporate Directors can incur expenditure within approved revenue and capital budgets. Such expenditure must be in accordance with the Council's policies and objectives and subject to compliance with the Financial Regulations.
2. **Legal** Regular financial monitoring and reporting help the Council meet its statutory obligation to secure best value.
3. **Corporate Governance** In terms of the Scheme of Administration, monitoring, on a quarterly basis, the levels of revenue expenditure incurred against approved budgets, in respect of each of the service areas for which the Committee is responsible is referred to the Education, Leisure and Housing Committee.
4. **Human Resources** N/A.
5. **Equalities** Equality Impact Assessment is not required for financial monitoring.
6. **Island Communities Impact** Island Communities Impact Assessment is not required for financial monitoring.

7. **Links to Council Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Council Plan strategic priorities:
  - Growing our economy.
  - Strengthening our Communities.
  - Developing our Infrastructure.
  - Transforming our Council.
8. **Links to Local Outcomes Improvement Plan:** The proposals in this report support and contribute to improved outcomes for communities as outlined in the following Local Outcomes Improvement Plan priorities:
  - Cost of Living.
  - Sustainable Development.
  - Local Equality.
9. **Environmental and Climate Risk** N/A.
10. **Risk** N/A.
11. **Procurement** N/A.
12. **Health and Safety** N/A.
13. **Property and Assets** N/A.
14. **Information Technology** N/A.
15. **Cost of Living** N/A.

### **List of Background Papers**

Policy and Resources Committee, 27 February 2024, Budget and Council Tax Level for 2024/25.

Policy and Resources Committee, 18 June 2024, Detailed Revenue Budgets

### **Annexes**

Annex 1: Financial Summary.

Annex 2: Financial Detail by Service Area.

Annex 3: Budget Action Plan.

**Annex 1: Financial Summary**

September 2024

The table below provides a summary of the position across all Service Areas.

| <b>General Fund</b>         |                       |                        |                              |                    |                                   |
|-----------------------------|-----------------------|------------------------|------------------------------|--------------------|-----------------------------------|
| <b>Service Area</b>         | <b>Spend<br/>£000</b> | <b>Budget<br/>£000</b> | <b>Over/(Under)<br/>£000</b> | <b>Spend<br/>%</b> | <b>Annual<br/>Budget<br/>£000</b> |
| Education                   | 22,365.5              | 22,311.5               | 54.0                         | 100.2              | 46,400.8                          |
| Leisure & Cultural Services | 2,397.1               | 2,567.2                | (170.1)                      | 93.4               | 4,993.3                           |
| Other Housing               | 873.6                 | 1,032.9                | (159.3)                      | 84.6               | 2,295.6                           |
|                             | <b>25,636.2</b>       | <b>25,911.6</b>        | <b>(275.4)</b>               | <b>98.9</b>        | <b>53,689.7</b>                   |
| <b>Non-General Fund</b>     |                       |                        |                              |                    |                                   |
| <b>Service Area</b>         | <b>Spend<br/>£000</b> | <b>Budget<br/>£000</b> | <b>Over/(Under)<br/>£000</b> | <b>Spend<br/>%</b> | <b>Annual<br/>Budget<br/>£000</b> |
| Housing Revenue Account     | 432.3                 | 630.0                  | (197.7)                      | 68.6               | (560.0)                           |
| UHI Orkney                  | 387.3                 | (284.2)                | 671.5                        | N/A                | 0.0                               |
|                             | <b>819.6</b>          | <b>345.8</b>           | <b>473.8</b>                 | <b>237.0</b>       | <b>(560.0)</b>                    |
| <b>Service Totals</b>       | <b>26,455.8</b>       | <b>26,257.4</b>        | <b>198.4</b>                 | <b>100.8</b>       | <b>53,129.7</b>                   |

Compared to last month, the total number of PAs has changed as follows:

| <b>Service Area</b>         | <b>No. of PAs</b> |            | <b>Service<br/>Functions</b> | <b>PAs/<br/>Function</b> |
|-----------------------------|-------------------|------------|------------------------------|--------------------------|
|                             | <b>P05</b>        | <b>P06</b> |                              |                          |
| Education                   | 4                 | 4          | 15                           | 27%                      |
| Leisure & Cultural Services | 5                 | 4          | 16                           | 25%                      |
| Other Housing               | 3                 | 3          | 12                           | 25%                      |
| Housing Revenue Account     | 3                 | 2          | 7                            | 29%                      |
| UHI Orkney                  | 3                 | 4          | 5                            | 80%                      |
| <b>Totals</b>               | <b>18</b>         | <b>17</b>  | <b>55</b>                    | <b>31%</b>               |

## Annex 2: Financial Detail by Service Area

September 2024

The following tables show the spending position by service function

### General Fund

|                                     |           | Spend<br>£000   | Budget<br>£000  | Over/(Under)<br>£000 | Spend<br>%   | Annual<br>Budget<br>£000 |
|-------------------------------------|-----------|-----------------|-----------------|----------------------|--------------|--------------------------|
| <b>Education</b>                    | <b>PA</b> |                 |                 |                      |              |                          |
| Senior Secondary Schools            |           | 6,556.5         | 6,524.1         | 32.4                 | 100.5        | 12,424.8                 |
| Junior Secondary Schools            |           | 1,813.3         | 1,791.9         | 21.4                 | 101.2        | 3,382.7                  |
| Primary Schools                     | <b>1C</b> | 6,567.6         | 6,374.4         | 193.2                | 103.0        | 12,273.9                 |
| Early Learning & Childcare          |           | 2,174.9         | 2,165.1         | 9.8                  | 100.5        | 4,935.5                  |
| Additional Support Needs            |           | 1,884.8         | 1,922.9         | (38.1)               | 98.0         | 3,959.1                  |
| Papdale Halls of Residence          |           | 427.2           | 443.2           | (16.0)               | 96.4         | 956.0                    |
| Quality Development                 |           | 21.0            | 14.9            | 6.1                  | 140.9        | 56.4                     |
| Administration                      |           | 515.2           | 505.6           | 9.6                  | 101.9        | 1,327.3                  |
| Assistance for Students             | <b>1B</b> | 54.0            | 65.6            | (11.6)               | 82.3         | 242.2                    |
| Community Learning &<br>Development |           | 176.6           | 185.2           | (8.6)                | 95.4         | 687.3                    |
| School Meals                        | <b>1C</b> | 824.4           | 898.8           | (74.4)               | 91.7         | 2,026.5                  |
| School Transport                    | <b>1C</b> | 1,320.2         | 1,382.1         | (61.9)               | 95.5         | 4,151.5                  |
| School Crossing Patrol              |           | 27.5            | 31.4            | (3.9)                | 87.6         | 67.3                     |
| Movement in Reserves                |           | 0.0             | 0.0             | 0.0                  | 0.0          | (100.3)                  |
| Parent Councils                     |           | 2.3             | 6.3             | (4.0)                | 36.5         | 10.6                     |
| <b>Service Total</b>                |           | <b>22,365.5</b> | <b>22,311.5</b> | <b>54.0</b>          | <b>100.2</b> | <b>46,400.8</b>          |

### Changes in original budget position:

|                                |                 |
|--------------------------------|-----------------|
| Original Net Budget            | 46,463.5        |
| Staffing Budget Movement 24.25 | (62.7)          |
|                                | <u>46,400.8</u> |

|  |           | <b>Spend</b>   | <b>Budget</b>  | <b>Over/(Under)</b> | <b>Spend</b> | <b>Annual</b>  |
|--|-----------|----------------|----------------|---------------------|--------------|----------------|
|  |           | <b>£000</b>    | <b>£000</b>    | <b>£000</b>         | <b>%</b>     | <b>Budget</b>  |
| <b>Leisure &amp; Cultural Services</b> | <b>PA</b> |                |                |                     |              | <b>£000</b>    |
| Administration - RC                    |           | 194.9          | 198.0          | (3.1)               | 98.4         | 949.0          |
| Parks and Play Areas                   |           | 383.1          | 405.2          | (22.1)              | 94.5         | 442.2          |
| Healthy Living Centres                 |           | 28.3           | 36.8           | (8.5)               | 76.9         | 91.1           |
| Tourism - Caravan Sites                |           | (59.8)         | (55.4)         | (4.4)               | 107.9        | (14.0)         |
| Tourism - Hostels                      |           | (47.2)         | (38.1)         | (9.1)               | 123.9        | 3.8            |
| Sports Development                     |           | 0.5            | 6.8            | (6.3)               | 7.4          | 102.0          |
| Sports Facilities                      |           | 578.2          | 572.1          | 6.1                 | 101.1        | 1,079.4        |
| Swimming Pools                         |           | 222.1          | 220.8          | 1.3                 | 100.6        | 332.6          |
| Theatres                               |           | 10.1           | 6.9            | 3.2                 | 146.4        | 7.7            |
| Active Schools                         | <b>1B</b> | (152.3)        | (174.2)        | 21.9                | 87.4         | 49.9           |
| Community Facilities                   | <b>1B</b> | 266.6          | 231.7          | 34.9                | 115.1        | 361.9          |
| Heritage Development                   |           | 206.3          | 212.8          | (6.5)               | 96.9         | 350.9          |
| Museums                                | <b>1B</b> | 133.6          | 207.3          | (73.7)              | 64.4         | 393.4          |
| St Magnus Cathedral                    | <b>1B</b> | 93.9           | 188.5          | (94.6)              | 49.8         | 273.3          |
| Libraries                              |           | 538.8          | 548.0          | (9.2)               | 98.3         | 1,070.1        |
| Movement in Reserves                   |           | 0.0            | 0.0            | 0.0                 | 0.0          | (500.0)        |
| <b>Service Total</b>                   |           | <b>2,397.1</b> | <b>2,567.2</b> | <b>(170.1)</b>      | <b>93.4</b>  | <b>4,993.3</b> |

|                       |           | <b>Spend</b> | <b>Budget</b>  | <b>Over/(Under)</b> | <b>Spend</b> | <b>Annual</b>  |
|-----------------------|-----------|--------------|----------------|---------------------|--------------|----------------|
|                       |           | <b>£000</b>  | <b>£000</b>    | <b>£000</b>         | <b>%</b>     | <b>Budget</b>  |
| <b>Other Housing</b>  | <b>PA</b> |              |                |                     |              | <b>£000</b>    |
| Housing Support       |           | 31.9         | 35.5           | (3.6)               | 89.9         | 76.0           |
| Homelessness          |           | 682.9        | 692.7          | (9.8)               | 98.6         | 1,118.0        |
| Housing Loans         | <b>1B</b> | (27.9)       | (15.2)         | (12.7)              | 183.6        | 12.6           |
| Energy Initiatives    |           | 351.8        | 351.8          | 0                   | 100.0        | 43.5           |
| Garages               |           | (38.5)       | (32.5)         | (6.0)               | 118.5        | (103.1)        |
| Miscellaneous - OH    |           | (355.6)      | (347.5)        | (8.1)               | 102.3        | 283.3          |
| Housing Benefits      | <b>1B</b> | (26.1)       | 122.2          | (148.3)             | N/A          | 365.9          |
| Landlord Registration |           | (33.7)       | (36.5)         | 2.8                 | 92.3         | (26.3)         |
| Care & Repair         |           | 197.1        | 191.8          | 5.3                 | 102.8        | 395.0          |
| Sheltered Housing     | <b>1B</b> | 99.6         | 83.0           | 16.6                | 120.0        | 174.0          |
| Student Accommodation |           | (7.9)        | (12.4)         | 4.5                 | 63.7         | (23.8)         |
| Movement in Reserves  |           | 0.0          | 0.0            | 0.0                 | 0.0          | (19.5)         |
| <b>Service Total</b>  |           | <b>873.6</b> | <b>1,032.9</b> | <b>(159.3)</b>      | <b>84.6</b>  | <b>2,295.6</b> |

## Non-General Fund

|                                | PA        | Spend<br>£000 | Budget<br>£000 | Over/(Under)<br>£000 | Spend<br>%  | Annual<br>Budget<br>£000 |
|--------------------------------|-----------|---------------|----------------|----------------------|-------------|--------------------------|
| <b>Housing Revenue Account</b> |           |               |                |                      |             |                          |
| Administration - HRA           | <b>1B</b> | 303.5         | 339.9          | (36.4)               | 89.3        | 1,250.3                  |
| Property Costs - HRA           |           | 2,026.8       | 2,004.1        | 22.7                 | 101.1       | 2,103.0                  |
| Rent Income                    | <b>1B</b> | (1,901.4)     | (1,718.7)      | (182.7)              | 110.6       | (4,499.0)                |
| Tenant Participation           |           | 10.8          | 12.4           | (1.6)                | 87.1        | 27.7                     |
| Other Income - HRA             |           | (7.4)         | (7.7)          | 0.3                  | 96.1        | (23.0)                   |
| Movement in Reserves           |           | 0.0           | 0.0            | 0.0                  | 0.0         | (242.0)                  |
| Finance Charges - HRA          |           | 0.0           | 0.0            | 0.0                  | 0.0         | 823.0                    |
| <b>Service Total</b>           |           | <b>432.3</b>  | <b>630.0</b>   | <b>(197.7)</b>       | <b>68.6</b> | <b>(560.0)</b>           |

|                                | PA        | Spend<br>£000 | Budget<br>£000 | Over/(Under)<br>£000 | Spend<br>% | Annual<br>Budget<br>£000 |
|--------------------------------|-----------|---------------|----------------|----------------------|------------|--------------------------|
| <b>UHI Orkney</b>              |           |               |                |                      |            |                          |
| Business Support               | <b>1B</b> | 247.6         | 212.5          | 35.1                 | 116.5      | 681.1                    |
| Further and Higher Education   | <b>1B</b> | (20.4)        | (590.1)        | 569.7                | 3.5        | (715.9)                  |
| Agronomy Institute             |           | 59.8          | 62.0           | (2.2)                | 96.5       | (2.5)                    |
| Archaeology Institute          | <b>1B</b> | 172.4         | 114.9          | 57.5                 | 150.0      | 22.8                     |
| Institute for Northern Studies |           | (72.1)        | (83.5)         | 11.4                 | 86.3       | 14.5                     |
| <b>Service Total</b>           |           | <b>387.3</b>  | <b>(284.2)</b> | <b>671.5</b>         | <b>N/A</b> | <b>0.0</b>               |

## Education

| Function     | Function Description/<br>Explanation   | Action Category/<br>Action Description   | Responsible<br>Officer | Deadline   | Status  |
|--------------|--|--|------------------------|------------|---------|
| <b>R13AW</b> | <p><b>Primary Schools</b></p> <p>More than anticipated expenditure by £193.2K</p> <p>Supply costs for staff absence and maternity leave are the main reasons for this overspend. Also, property costs are over budget in a number of schools.</p>  | <p><b>Monitor the situation</b></p> <p>Ensure schools continue to implement the Staff Sickness Absence policy.</p> <p>Meter readings for electricity have been submitted for one establishment, and Feed In Tariff payments are still to be received for another school, which will reduce the overspend slightly.</p> | Peter Diamond          | 31/12/2024 | Ongoing |
| <b>R15B</b>  | <p><b>Assistance for Students</b></p> <p>Less than anticipated expenditure by £11.6K</p> <p>This area is demand led and, compared with this time last year, the FE bursary spend is £7k less, and primary school clothing grants are £6k less. There are applications pending, awaiting the return of requested documentary evidence, and it is anticipated that the underspend will reduce over the next few months, once these applications are processed.</p> | <p><b>Monitor the situation</b></p> <p>Continue to encourage applicants to provide relevant documents, so that their applications can be processed.</p> <p>Continue to promote awareness of these grants.</p>  | Peter Diamond          | 31/12/2024 | New     |



Education

| Function | Function Description/<br>Explanation   | Action Category/<br>Action Description   | Responsible<br>Officer | Deadline   | Status  |
|----------|--|--|------------------------|------------|---------|
| R15DE    | <p><b>School Meals</b></p> <p>Less than anticipated expenditure by £74.4K</p> <p>Pupil sales at one large school are slightly higher than anticipated. Bin contracts are yet to be charged. Supplies and Services are underspent due to invoices still to be received.</p> | <p><b>Monitor the situation</b></p> <p>Follow up any outstanding invoices with suppliers and process them for payment as quickly as possible.</p>  | Frances Troup          | 31/10/2024 | Ongoing |
| R15F     | <p><b>School Transport</b></p> <p>Less than anticipated expenditure by £61.9K</p> <p>This underspend is due to outstanding invoices still to be received (approx. £135k). Once these have been paid it is anticipated that there will be an overspend of approx. £73k.</p> | <p><b>Monitor the situation</b></p> <p>Continue to monitor the spend profile. Budgets not adjusted following mid-contract re-tendering; initial focus on covering cost increasing from within the existing budget.</p> | Peter Diamond          | 31/10/2024 | Ongoing |

## Leisure &amp; Cultural Services

| Function | Function Description/<br>Explanation  | Action Category/<br>Action Description  | Responsible<br>Officer | Deadline   | Status  |
|----------|---|---|------------------------|------------|---------|
| R17N     | <p><b>Active Schools</b></p> <p>Less than anticipated income by £21.9K</p> <p>Timing of expenditure differs from that profiled.</p>   | <p><b>Raise virements request</b></p> <p>Virement to be done to correct the budget profile to ensure the timing is accurate in future.</p>      | Frances Troup          | 30/11/2024 | New     |
| R17P     | <p><b>Community Facilities</b></p> <p>More than anticipated expenditure by £34.9K</p> <p>Kirkwall Community Centre Cafe is reporting a loss for the year to date. Previously the income targets were unrealistic and have been adjusted. Staff costs and supplies and services have been reduced; however, staffing and food purchases remain overspent against budget.</p> | <p><b>Monitor the situation</b></p> <p>The budget will be monitored closely and steps will be taken to try to align income and expenditure.</p> | Frances Troup          | 30/11/2024 | New     |
| R17T     | <p><b>Museums</b></p> <p>Less than anticipated expenditure by £73.7K</p> <p>A combination of anticipated property costs yet to be recharged, a reimbursement payment is yet to be received from a partner agency and donations are higher than anticipated.</p>   | <p><b>Monitor the situation</b></p> <p>Monitor the situation.</p>   | Frances Troup          | 31/10/2024 | Ongoing |

## Leisure &amp; Cultural Services

| <b>Function</b> | <b>Function Description/<br/>Explanation</b>  | <b>Action Category/<br/>Action Description</b>         | <b>Responsible<br/>Officer</b> | <b>Deadline</b> | <b>Status</b> |
|-----------------|---|--|--------------------------------|-----------------|---------------|
| <b>R17U</b>     | <b>St Magnus Cathedral</b><br>Less than anticipated expenditure by £94.6K<br>Anticipated property costs have yet to be recharged. | <b>Monitor the situation</b><br>Monitor the situation. | Frances Troup                  | 31/10/2024      | Ongoing       |

## Other Housing

| Function | Function Description/<br>Explanation  | Action Category/<br>Action Description   | Responsible<br>Officer | Deadline   | Status  |
|----------|---|--|------------------------|------------|---------|
| R30C     | <p><b>Housing Loans</b></p> <p>More than anticipated income by £12.7K</p> <p>Additional income due to a loan being repaid in full.</p>  | <p><b>No action required</b></p> <p>No action required.</p>  | Frances Troup          | 30/11/2024 | New     |
| R30H     | <p><b>Housing Benefits</b></p> <p>Less than anticipated expenditure by £148.3K</p> <p>Final Housing Benefit payment of £173k for 2023/24 received in September. This was not accounted for correctly at the year end. This variance is reduced due to significant increases in licence costs, and through timing of monthly Housing Benefit receipts. Discretionary Housing Payments are also underspent by approximately £50k at the 6-month period.</p> | <p><b>Monitor the situation</b></p> <p>The final payment for 2023/24 will remain as a variance throughout the financial year.</p> <p>Procedures at year end have been updated to ensure this accrual is recorded accurately in future.</p> | Erik Knight            | 31/10/2024 | Ongoing |
| R30M     | <p><b>Sheltered Housing</b></p> <p>More than anticipated expenditure by £16.6K</p> <p>Purchase of essential telecare equipment £5.9k over budget. Staff sleep-in payments higher than anticipated.</p>  | <p><b>Monitor the situation</b></p> <p>Monitor the situation and review sleep-in costs.</p>  | Frances Troup          | 30/11/2024 | Ongoing |

## Housing Revenue Account

| Function | Function Description/<br>Explanation  | Action Category/<br>Action Description                                    | Responsible<br>Officer | Deadline   | Status  |
|----------|---|---|------------------------|------------|---------|
| R61A     | <p><b>Administration - HRA</b></p> <p>Less than anticipated expenditure by £36.4K</p> <p>A combination of a vacant post and recruitment difficulties and invoices for a specific piece of work which have yet to be levied.</p>   | <p><b>Monitor the situation</b></p> <p>Monitor situation.</p>             | Frances Troup          | 30/09/2024 | Ongoing |
| R61E     | <p><b>Rent Income</b></p> <p>More than anticipated income by £182.7K</p> <p>Figures are not as anticipated as corrections/refunds needed to be made to the customer accounts due to the rent increase timing/notice periods. Issue is resolving and rent receipts are returning to profile.</p> | <p><b>Monitor the situation</b></p> <p>Work is ongoing to sort issue.</p> | Erik Knight            | 31/10/2024 | Ongoing |

## UHI Orkney

| <b>Function</b> | <b>Function Description/<br/>Explanation</b>  | <b>Action Category/<br/>Action Description</b>   | <b>Responsible<br/>Officer</b> | <b>Deadline</b> | <b>Status</b> |
|-----------------|---|--|--------------------------------|-----------------|---------------|
| <b>R67A</b>     | <b>Business Support</b><br>More than anticipated expenditure by £35.1K<br><br>There is an overspend on Supplies and Services in the Business Support cost centre. The main areas that are overspent are materials, IT hardware, and Microsoft Campus 2024-25 recharge from UHI. | <b>Management input required</b><br><br>The costs of Supplies and Services are rising. Expenditure on Supplies and Services is under review. | Peter Diamond                  | 31/12/2024      | New           |

UHI Orkney

| Function | Function Description/<br>Explanation  | Action Category/<br>Action Description   | Responsible<br>Officer | Deadline   | Status  |
|----------|---|--|------------------------|------------|---------|
| R67B     | <p><b>Further and Higher Education</b></p> <p>Less than anticipated income by £569.7K</p> <p>There is 11% included in the 2024/25 base budget for Lecturers Pay Award from September 2022 to March 2025. The Lecturers Pay Award, including back pay, was paid in September. The 11% budget is profiled equal monthly. There has been a need for increased staffing in Construction and Learning Support; however the variance is offset by staff vacancies in other departments.</p> <p>There is also an overspend on Supplies and Services, due to rising costs.</p> <p>The most significant variance of £447.6k is the budgeted 'deficit or income to find figure' which was included within the UHI Orkney base budget 2024/25.</p> | <p><b>Management input required</b></p> <p>The variance on staffing due to the profiling of the Lecturers Pay Award will decrease from October to March.<br/>The variance due to increased staffing needs will remain.</p> <p>The expenditure on Supplies and Services is to be reviewed as part of the UHI Orkney Response Plan.</p> <p>The UHI Orkney deficit/income to find figure will be addressed in the UHI Orkney Response Plan.</p> | Peter Diamond          | 31/12/2024 | Ongoing |

UHI Orkney

| Function | Function Description/<br>Explanation   | Action Category/<br>Action Description  | Responsible<br>Officer | Deadline   | Status  |
|----------|--|---|------------------------|------------|---------|
| R67F     | <p><b>Archaeology Institute</b></p> <p>More than anticipated expenditure by £57.5K</p> <p>Some of this variance reflects the Lecturers Pay Award made in September 2024 which caused a spike of back pay. This figure will now reduce between October to March.</p> <p>An increase in the amount for relief staff includes some cover of modules due to staff sickness as well as the involvement of staff in field schools over the summer.</p> <p>ORCA has been significantly busier than anticipated this year, and so have required the use of more supply staff than budget for. This work is billable to clients and so in subsequent months, once this work is invoiced, the additional income is anticipated to cover the current overspend on staffing.</p> | <p><b>Monitor the situation</b></p> <p>Relief staffing will be monitored by the budget holders.</p> <p>ORCA will ensure prompt invoicing to manage this variance.</p> | Peter Diamond          | 31/12/2024 | Ongoing |



## UHI Orkney

| Function | Function Description/<br>Explanation   | Action Category/<br>Action Description  | Responsible<br>Officer | Deadline   | Status |
|----------|--|---|------------------------|------------|--------|
| R67G     | <p><b>Institute for Northern Studies</b></p> <p>Less than anticipated income by £11.4K</p> <p>This variance reflects the Lecturers Pay Award made in September 2024 which caused a spike of back pay.</p> <p>There is also a cost of PhD travel under transport but this has matching income attached which has not yet been reclaimed.</p> <p>The cost under Transfer payments reflects the cost of two part funded PhD studentships' Research Training Support Grant payments.</p> | <p><b>Monitor the situation</b></p> <p>If the INS grant and student fees income received during the year, exceeds the budgeted income, a virement will be processed to increase both income and expenditure, as required.</p> | Peter Diamond          | 31/12/2024 | New    |