



**Item: 3**

**Education, Leisure and Housing Committee: 5 February 2025.**

**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 Education, Leisure and Housing is responsible, for the period 1 April to 31 December 2024, attached as Annex 1 to this report, indicating a net budget overspend position of £265,100, comprising the following:
  - Underspend of £464,400 against General Fund services.
  - Overspend of £729,500 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 31 December 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**

December 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                   | 34,623.2              | 34,208.0               | 415.2                        | 101.2              | 47,463.9                          |
| Leisure & Cultural Services | 3,552.4               | 3,607.8                | (55.4)                       | 98.5               | 5,141.9                           |
| Other Housing               | 425.5                 | 1,249.7                | (824.2)                      | 34.0               | 2,382.2                           |
|                             | <b>38,601.1</b>       | <b>39,065.5</b>        | <b>(464.4)</b>               | <b>98.8</b>        | <b>54,988.0</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     | (226.4)               | (267.6)                | 41.2                         | 84.6               | (560.0)                           |
| UHI Orkney                  | 566.6                 | (121.7)                | 688.3                        | N/A                | 0.0                               |
|                             | <b>340.2</b>          | <b>(389.3)</b>         | <b>729.5</b>                 | <b>N/A</b>         | <b>(560.0)</b>                    |
| <b>Service Totals</b>       | <b>38,941.3</b>       | <b>38,676.2</b>        | <b>265.1</b>                 | <b>100.7</b>       | <b>54,428.0</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>P08</b>        | <b>P09</b> |                              |                          |
| Education                   | 6                 | 6          | 15                           | 40%                      |
| Leisure & Cultural Services | 5                 | 3          | 16                           | 19%                      |
| Other Housing               | 3                 | 3          | 12                           | 25%                      |
| Housing Revenue Account     | 1                 | 1          | 7                            | 14%                      |
| UHI Orkney                  | 3                 | 1          | 5                            | 20%                      |
| <b>Totals</b>               | <b>18</b>         | <b>14</b>  | <b>55</b>                    | <b>25%</b>               |

The following tables show the spending position by service function

### General Fund

| Education                        | PA | Spend<br>£000   | Budget<br>£000  | Over/(Under)<br>£000 | Spend<br>%   | Annual<br>Budget<br>£000 |
|----------------------------------|----|-----------------|-----------------|----------------------|--------------|--------------------------|
| Senior Secondary Schools         | 1C | 9,755.6         | 9,600.0         | 155.6                | 101.6        | 12,805.8                 |
| Junior Secondary Schools         | 1C | 2,686.8         | 2,612.7         | 74.1                 | 102.8        | 3,459.7                  |
| Primary Schools                  | 1C | 9,764.6         | 9,451.4         | 313.2                | 103.3        | 12,643.0                 |
| Early Learning & Childcare       |    | 3,447.3         | 3,435.9         | 11.4                 | 100.3        | 5,036.8                  |
| Additional Support Needs         | 1C | 2,840.6         | 2,932.5         | (91.9)               | 96.9         | 4,027.8                  |
| Papdale Halls of Residence       |    | 712.2           | 689.7           | 22.5                 | 103.3        | 975.8                    |
| Quality Development              |    | 78.3            | 76.8            | 1.5                  | 102.0        | 56.8                     |
| Administration                   |    | 727.5           | 724.0           | 3.5                  | 100.5        | 1,289.7                  |
| Assistance for Students          |    | 164.8           | 162.4           | 2.4                  | 101.5        | 243.0                    |
| Community Learning & Development |    | 386.4           | 426.2           | (39.8)               | 90.7         | 701.0                    |
| School Meals                     | 1B | 1,286.3         | 1,439.0         | (152.7)              | 89.4         | 2,093.2                  |
| School Transport                 | 1C | 2,719.1         | 2,597.3         | 121.8                | 104.7        | 4,151.6                  |
| School Crossing Patrol           |    | 43.8            | 49.7            | (5.9)                | 88.1         | 69.4                     |
| Movement in Reserves             |    | 0.0             | 0.0             | 0.0                  | 0.0          | (100.3)                  |
| Parent Councils                  |    | 9.9             | 10.4            | (0.5)                | 95.2         | 10.6                     |
| <b>Service Total</b>             |    | <b>34,623.2</b> | <b>34,208.0</b> | <b>415.2</b>         | <b>101.2</b> | <b>47,463.9</b>          |

### Changes in original budget position:

|  |                 |
|--|-----------------|
| Original Net Budget                                  | 46,463.5        |
| Staffing Budget Movement 24.25                       | (62.7)          |
| Senior Secondary Schools - Teachers Pay Increase     | 62.6            |
| Senior Secondary Schools - Teachers Pension Increase | 247.2           |
| Junior Secondary Schools - Teachers Pension Increase | 50.3            |
| Junior Secondary Schools - Teachers Pay Increase     | 12.7            |
| Primary Schools - Teachers Pay Increase              | 61.1            |
| Primary Schools - Teachers Pension Increase          | 240.3           |
| Additional Support Needs - Teachers Pension Increase | 10.0            |
| Additional Support Needs - Teachers Pay Increase     | 2.6             |
| Youth Music - Teachers Pension Increase              | 0.2             |
| Education 24.25 Staff Back Pay                       | 376.1           |
|  | <b>47,463.9</b> |

| <b>Leisure &amp; Cultural Services</b> | <b>PA</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> |
|--|-----------|-----------------------|------------------------|------------------------------|--------------------|-----------------------------------|
| Administration - RC                    |           | 431.5                 | 431.1                  | 0.4                          | 100.1              | 1,023.6                           |
| Parks and Play Areas                   |           | 431.6                 | 445.4                  | (13.8)                       | 96.9               | 461.9                             |
| Healthy Living Centres                 | <b>1B</b> | 44.6                  | 57.8                   | (13.2)                       | 77.2               | 93.0                              |
| Tourism - Caravan Sites                |           | (61.5)                | (53.0)                 | (8.5)                        | 116.0              | (12.5)                            |
| Tourism - Hostels                      |           | (25.9)                | (19.9)                 | (6.0)                        | 130.2              | 5.3                               |
| Sports Development                     | <b>1B</b> | 24.8                  | 37.2                   | (12.4)                       | 66.7               | 103.8                             |
| Sports Facilities                      |           | 822.4                 | 807.7                  | 14.7                         | 101.8              | 1,083.3                           |
| Swimming Pools                         |           | 284.7                 | 283.3                  | 1.4                          | 100.5              | 339.5                             |
| Theatres                               |           | 9.4                   | 7.3                    | 2.1                          | 128.8              | 7.8                               |
| Active Schools                         |           | (173.1)               | (164.7)                | (8.4)                        | 105.1              | 76.6                              |
| Community Facilities                   | <b>1B</b> | 330.0                 | 291.3                  | 38.7                         | 113.3              | 371.3                             |
| Heritage Development                   |           | 243.3                 | 250.5                  | (7.2)                        | 97.1               | 355.0                             |
| Museums                                |           | 265.8                 | 289.3                  | (23.5)                       | 91.9               | 404.6                             |
| St Magnus Cathedral                    |           | 204.3                 | 208.0                  | (3.7)                        | 98.2               | 278.4                             |
| Libraries                              |           | 720.5                 | 736.5                  | (16.0)                       | 97.8               | 1,086.1                           |
| Movement in Reserves                   |           | 0.0                   | 0.0                    | 0.0                          | 0.0                | (535.8)                           |
| <b>Service Total</b>                   |           | <b>3,552.4</b>        | <b>3,607.8</b>         | <b>(55.4)</b>                | <b>98.5</b>        | <b>5,141.9</b>                    |

**Changes in original budget position:**

|   |                |
|---|----------------|
| Original Net Budget                     | 4,993.3        |
| NOLB Approach to Employability          | 53.0           |
| Employability Child Poverty Co-ord      | 19.5           |
| Leisure & Cultural 24.25 Staff Back Pay | 76.1           |
|   | <b>5,141.9</b> |

| <b>Other Housing</b>  | <b>PA</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 Support       |           | 50.6                  | 55.7                   | (5.1)                        | 90.8               | 77.7                              |
| Homelessness          |           | 867.4                 | 869.4                  | (2.0)                        | 99.8               | 1,140.9                           |
| Housing Loans         | <b>1B</b> | (47.5)                | (29.1)                 | (18.4)                       | 163.2              | 12.6                              |
| Energy Initiatives    |           | 145.2                 | 144.9                  | 0.3                          | 100.2              | 44.6                              |
| Garages               |           | (71.6)                | (62.8)                 | (8.8)                        | 114.0              | (103.1)                           |
| Miscellaneous - OH    |           | (259.6)               | (237.8)                | (21.8)                       | 109.2              | 409.1                             |
| Housing Benefits      | <b>1B</b> | (664.8)               | 158.0                  | (822.8)                      | N/A                | 365.9                             |
| Landlord Registration |           | (35.2)                | (43.3)                 | 8.1                          | 81.3               | (26.3)                            |
| Care & Repair         |           | 302.6                 | 283.7                  | 18.9                         | 106.7              | 395.0                             |
| Sheltered Housing     | <b>1B</b> | 151.6                 | 129.4                  | 22.2                         | 117.2              | 179.6                             |
| Student Accommodation |           | (13.2)                | (18.4)                 | 5.2                          | 71.7               | (23.8)                            |
| Movement in Reserves  |           | 0.0                   | 0.0                    | 0.0                          | 0.0                | (90.0)                            |
| <b>Service Total</b>  |           | <b>425.5</b>          | <b>1,249.7</b>         | <b>(824.2)</b>               | <b>34.0</b>        | <b>2,382.2</b>                    |

**Changes in original budget position:**

|                                      |                |
|--------------------------------------|----------------|
| Original Net Budget                  | 2,295.6        |
| Temp Accommodation Pressures         | 15.0           |
| Redetermination Ukraine Resettlement | 53.1           |
| Housing 24.25 Staff Back Pay         | 18.5           |
|                                      | <b>2,382.2</b> |

## Non-General Fund

| Housing Revenue Account | PA        | Spend<br>£000  | Budget<br>£000 | Over/(Under)<br>£000 | Spend<br>%  | Annual<br>Budget<br>£000 |
|-------------------------|-----------|----------------|----------------|----------------------|-------------|--------------------------|
| Administration - HRA    |           | 469.0          | 505.6          | (36.6)               | 92.8        | 1,250.3                  |
| Property Costs - HRA    | <b>1C</b> | 2,099.7        | 2,044.1        | 55.6                 | 102.7       | 2,103.0                  |
| Rent Income             |           | (2,806.6)      | (2,821.2)      | 14.6                 | 99.5        | (4,499.0)                |
| Tenant Participation    |           | 19.7           | 19.3           | 0.4                  | 102.1       | 27.7                     |
| Other Income - HRA      |           | (8.2)          | (15.4)         | 7.2                  | 53.2        | (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>(226.4)</b> | <b>(267.6)</b> | <b>41.2</b>          | <b>84.6</b> | <b>(560.0)</b>           |

| UHI Orkney                     | PA        | Spend<br>£000 | Budget<br>£000 | Over/(Under)<br>£000 | Spend<br>% | Annual<br>Budget<br>£000 |
|--------------------------------|-----------|---------------|----------------|----------------------|------------|--------------------------|
| Business Support               |           | 300.0         | 306.4          | (6.4)                | 97.9       | 681.1                    |
| Further and Higher Education   | <b>1B</b> | (73.5)        | (761.5)        | 688.0                | 9.7        | (715.9)                  |
| Agronomy Institute             |           | 68.8          | 62.4           | 6.4                  | 110.3      | (2.5)                    |
| Archaeology Institute          |           | 308.1         | 310.7          | (2.6)                | 99.2       | 22.8                     |
| Institute for Northern Studies |           | (36.8)        | (39.7)         | 2.9                  | 92.7       | 14.5                     |
| <b>Service Total</b>           |           | <b>566.6</b>  | <b>(121.7)</b> | <b>688.3</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  |
|----------|--|---|------------------------|------------|---------|
| R11AC    | <p><b>Senior Secondary Schools</b></p> <p>More than anticipated expenditure by £155.6K</p> <p>The main reason for the overspend is staff costs (includes sickness absence and maternity leave) exceeding the budget.</p> <p>There are also repairs and maintenance works which are at this point in the year greater than anticipated.</p> | <p><b>Monitor the situation</b></p> <p>Continue to monitor and consider processing virements, where possible, to better reflect actuals against budgets.</p>  | Peter Diamond          | 31/03/2025 | New     |
| R12AF    | <p><b>Junior Secondary Schools</b></p> <p>More than anticipated expenditure by £74.1K</p> <p>Additional staff costs due to short and long term sickness absence cover.</p>   | <p><b>Monitor the situation</b></p> <p>Review staff costs. Where possible, any overspend will be offset by underspend within the sector.</p>  | Peter Diamond          | 31/03/2025 | Ongoing |
| R13AW    | <p><b>Primary Schools</b></p> <p>More than anticipated expenditure by £313.2K</p> <p>Supply costs for staff absence and maternity leave are the main reasons for this overspend.</p>   | <p><b>Monitor the situation</b></p> <p>Initially, the overspend will be off-set against any underspend within the sector. Should this not be possible, a resolution within the wider education service budget will be sought.</p> | Peter Diamond          | 31/03/2025 | Ongoing |

## Education

| Function | Function Description/<br>Explanation  | Action Category/<br>Action Description   | Responsible<br>Officer | Deadline   | Status  |
|----------|---|--|------------------------|------------|---------|
| R14FI    | <p><b>Additional Support Needs</b></p> <p>Less than anticipated expenditure by £91.9K</p> <p>The underspend is due to slightly lower than anticipated spend on Out of Orkney placements, combined with unfilled vacancies.</p>  | <p><b>Monitor the situation</b></p> <p>Continue to monitor the spend on Out of Orkney placements. Complete recruitment for vacant posts.</p>   | Peter Diamond          | 31/03/2025 | Ongoing |
| R15DE    | <p><b>School Meals</b></p> <p>Less than anticipated expenditure by £152.7K</p> <p>Pupil sales at one large school are slightly higher than anticipated.</p> <p>Bin contracts are yet to be charged.</p> <p>Supplies and Services are underspent due to invoices still to be received.</p> | <p><b>Process transaction(s)</b></p> <p>Follow any outstanding invoices up with suppliers and process them for payment as quickly as possible.</p> <p>Process a virement to realign the budget to match actuals if invoices aren't processed in a timely manner.</p> | Frances Troup          | 31/01/2025 | Ongoing |
| R15F     | <p><b>School Transport</b></p> <p>More than anticipated expenditure by £121.8K</p> <p>The School Transport budget is insufficient to cover the contracted routes. Four routes had to be re-tendered, and the increase wasn't included in the budget.</p>                                  | <p><b>Management input required</b></p> <p>This has been highlighted as an unavoidable budget pressure.</p>  | Peter Diamond          | 31/03/2025 | Ongoing |

## Leisure &amp; Cultural Services

| Function | Function Description/<br>Explanation   | Action Category/<br>Action Description  | Responsible<br>Officer | Deadline   | Status  |
|----------|--|---|------------------------|------------|---------|
| R17D     | <p><b>Healthy Living Centres</b></p> <p>Less than anticipated expenditure by £13.2K</p> <p>There is an underspend in relief staff costs.</p>   | <p><b>Monitor the situation</b></p> <p>Monitor the situation.</p>   | Frances Troup          | 31/03/2025 | Ongoing |
| R17G     | <p><b>Sports Development</b></p> <p>Less than anticipated expenditure by £12.4K</p> <p>The Outdoor education income was higher than anticipated. This will be used to fund safety equipment.</p> | <p><b>Monitor the situation</b></p> <p>Monitor the situation to ensure equipment replacement costs do not exceed available budget.</p>          | Frances Troup          | 31/03/2025 | Ongoing |
| R17P     | <p><b>Community Facilities</b></p> <p>More than anticipated expenditure by £38.7K</p> <p>Staff costs and food costs 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          | 31/03/2025 | 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 £18.4K</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          | 31/03/2025 | Ongoing |
| R30H     | <p><b>Housing Benefits</b></p> <p>Less than anticipated expenditure by £822.8K</p> <p>Final Housing Benefit payment of £173k for 2023/24 received in September. This was not accounted for correctly at the year end. A further £268k was received in October for current year. The timing of Housing Benefit payments, receipts and journal entries requires further scrutiny.</p> <p>Discretionary Housing Payments are also underspent by approximately £100k at the 9-month period. This is in part due to month end processes not being completed due to staff absence. This will be sorted by year end.</p> | <p><b>Management input required</b></p> <p>The final payment for 2023/24 will remain as a variance throughout the financial year. Procedures at year end have been updated to ensure this accrual is recorded accurately in future.</p> <p>Discretionary Housing Payment and Housing Benefit month end processes to be progressed.</p> | Erik Knight            | 31/01/2025 | Ongoing |

## Other Housing

| Function | Function Description/<br>Explanation  | Action Category/<br>Action Description                 | Responsible<br>Officer | Deadline   | Status  |
|----------|---|--|------------------------|------------|---------|
| R30M     | <b>Sheltered Housing</b><br>More than anticipated expenditure by £22.2K<br><br>Purchase of essential telecare equipment is £5.9K over budget.<br><br>Staff sleep-in payments are higher than anticipated. | <b>Monitor the situation</b><br>Monitor the situation. | Frances Troup          | 31/03/2025 | Ongoing |

## Housing Revenue Account

| Function | Function Description/<br>Explanation  | Action Category/<br>Action Description   | Responsible<br>Officer | Deadline   | Status |
|----------|---|--|------------------------|------------|--------|
| R61B     | <p><b>Property Costs - HRA</b></p> <p>More than anticipated expenditure by £55.6K</p> <p>The contribution for OIC Repairs and Maintenance has increased by £380k this year, however the overall budget has only been increased by £342k, giving a shortfall of £38k. Also, there have been additional costs in relation to electricity charges.</p> <p>Approx £10k of costs have been coded to this cost centre in error, and these will be journalled to the correct code.</p> | <p><b>Raise journals request</b></p> <p>Process a journal to correct the costs which have been charged to this cost centre in error.</p> | Frances Troup          | 28/02/2025 | 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>There is a total variance of £668k.</p> <p>The most significant variance of £446.4k is the budgeted 'deficit to find figure' which was included within the UHI Orkney base budget for 2024/25.</p> <p>Staff costs are overspent due to:<br/>Staff salary adjustments in relation to ongoing implementation of National Recognition and Procedures Agreement. £91k plus oncosts.</p> <p>Lecturer Pay Award backpay 2022-24 was budgeted for but profiled across 12 months and incurred in a single month. New Lecturer salaries following the Lecturer Pay Award were not budgeted for.</p> <p>There are additional staff costs associated with rising student additional support needs.</p> <p>There is also an overspend of £24.6k on supplies and services, due to rising costs. This is an improvement of over £10k on this period last year.</p> <p>There is a substantial external grant</p> | <p><b>Management input required</b></p> <p>The UHI Orkney deficit/income to find figure will be addressed in the UHI Orkney 3 Year Draft Budget which will be presented in April 2025.</p> <p>The variance due to increased staffing costs will remain.</p> | Peter Diamond          | 31/03/2025 | Ongoing |

UHI Orkney

| Function | Function Description/<br>Explanation                           | Action Category/<br>Action Description | Responsible<br>Officer | Deadline | Status |
|----------|--|--|------------------------|----------|--------|
|          | not yet received by Archaeology which will reduce staff costs. |  |                        |          |        |