

WEST DUNBARTONSHIRE COUNCIL**Report by the Chief Officer - Resources****Educational Services Committee: 14 December 2022**

**Subject: Educational Services Budgetary Control Report to
31 October 2022 (Period 7).**

1. Purpose

- 1.1** The purpose of the report is to provide Committee with an update on the financial performance of Educational Services to 31 October 2022 (Period 7).

2. Recommendations**2.1** Committee is asked to:

- (a) note that the revenue account currently shows a projected annual adverse revenue variance of £0.606m (0.55% of the total budget); and
- (b) note that the capital account shows a projected in-year favourable variance of £1.940m which is budget being re-profiled to 2023/24. Acceleration of £0.241m was approved for Renton Campus as a part retention is due to be paid this financial year.

3. BackgroundRevenue

- 3.1** At the meeting of West Dunbartonshire Council on 9 March 2022, Members agreed the revenue estimates for 2021/2022, including a total net Educational Services Committee budget of £107.788m. Since then the following budget adjustments have taken place revising the budget to £108.286m.

Budget Agreed by Council 9 March 2022	£107.788m
Easter Study Support Provision	£0.101m
Utilities Provision (reallocation from sundry services)	£0.397m
Mobile and adobe licenses realignment	(£0.001m)
Education Utilities (Gas +Electricity)	£0.103m
Pay Award	£2.340m
ISDN Budget savings	(£0.059m)
Revised Budget	£110.669m

- 3.2** The current APT &C pay award for staff from 1 April 2022 has been agreed recently. Any cost beyond the increase assumed in the budget will be required to be funded. Scottish local authorities are working with CoSLA and the Scottish Government to ensure adequate funding is available. For the purposes of this report, it is assumed that the pay award budgeted is adequate and anything beyond that budgeted will be fully funded.

Teachers Pay Award has yet to be agreed and this report assumes a pay award of 5%.

Capital

- 3.3** At the meeting of Council on 22 March 2021 Members also agreed the updated 10 year General Services Capital Plan for 2021/22 to 2030/31. The three years from 2021/22 to 2023/24 have been approved in detail with the remaining seven years from 2024/25 to 2030/31 being indicative at this stage. After adjusting for anticipated slippage from 2021/22 into 2022/23, acceleration of £0.241m, and Free School Meals Expansion funding of £0.495m the budget for 2022/23 is £5.7m.

4. Main Issues

Revenue Budget

- 4.1** The current departmental budgetary position is summarised in Appendix 1, with detailed analysis by service in Appendix 2.
- 4.2** The overall projected full year variance is £0.606m adverse. Information and all individual variances of over £50,000 are detailed in Appendix 3.

Capital

- 4.3** The overall Educational Services programme summary report at Appendix 5 shows that the expected spend on the project life is anticipated to be equal to the original budget, and there is currently £1.940m reprofiling of current year budget to 2023/24. Appendix 6 highlights one project at red status which has an underspend of £1.940m. Appendix 7 highlights all projects at green status, of which none have an in-year variance of over £0.050m.

5. People Implications

- 5.1** There are no direct people implications.

6. Financial and Procurement Implications

- 6.1** Other than the financial position noted above and within the appendices, there are no financial or procurement implications of the budgetary control report.

7. Risk Analysis

- 7.1** The main financial risks to the ongoing financial position relate to unforeseen costs and/or reduced income streams being identified between now and the end of the financial year. This is particularly sensitive to the ongoing impact of Covid-19. Finance staff are in regular discussion with budget holders to ensure potential issues are identified as early as possible in order to mitigate this risk.

- 7.2** A more specific uncertainty surrounds the outcome of the teachers' pay award for 2022/23. The figures in the attached appendices have assumed that the teachers' pay award replicates that accepted by APT&C staff and the table below shows the consequences of such an award for APT&C and teachers.

Cost of pay award 2022/23	£4.446m
Pay award assumption already in budget	£1.657m
Estimated Scottish Govt. Funding	£2.340m
Shortfall to be funded by WDC	£0.449m

- 7.3** There has been ongoing uncertainty surrounding the split in residential placement costs between WDC Education and HSCP. The figures in the appendices assume a 23:77 split between WDC and HSCP and that £0.522m comes from HSCP for the ongoing cases that contributed to last year's overspend. Should this not be the case overall WDC expenditure would rise accordingly.

8. Equalities Impact Assessment (EIA)

- 8.1** The report is for noting and therefore, no Equalities Impact Assessment was completed for this report.

9. Consultation

- 9.1** The views of Education, Finance and Legal services were requested in the preparation of this report and they have advised there are neither any additional issues nor concerns with the proposal. As the report is for noting no further consultation is envisaged.

10. Strategic Assessment

- 10.1** Proper budgetary control and sound financial practice are cornerstones of good governance and support Council and officers to pursue the 5 strategic priorities of the Council's Strategic Plan. This report forms part of the financial governance of the Council.

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Chief Officer - Resources

Date: 23 November 2022

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Appendices: Appendix 1 - Revenue Budgetary Control 2022/23
- Summary Report

Appendix 2 - Revenue Budgetary Control 2022/23
- Service Reports
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Appendix 3 - Analysis of Revenue Variances over
£50,000

Appendix 4 – Analysis of Revenue Efficiencies

Appendix 5 - Capital Programme Summary

Appendix 6 – Capital Projects at Red Status

Appendix 7 – Capital Projects at Green Status

Background Papers: Ledger output – period 7
General Services Revenue Estimates 2022/23

Wards Affected: All