

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Education Officer

Educational Services Committee: 6 March 2019

Subject: Educational Services Budgetary Control Report to 31 January 2019 (Period 10).

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 January 2019 (Period 10).

2. Recommendations

- 2.1 Committee is asked to:

- (a) note that the revenue account currently shows a projected annual adverse revenue variance of £0.719m (less than 1%); and
- (b) note that the capital account shows a projected annual favourable variance of £2.131m (33.8% of the budget), made up of £2.560m relating to project slippage, partially offset by £0.429m relating to an in year overspend;

3. Background

Revenue

- 3.1 At the meeting of West Dunbartonshire Council on 5 March 2018, Members agreed the revenue estimates for 2018/2019, including a total net Educational Services Committee budget of £88.436m. Since then the following budget adjustments have taken place revising the budget to £88.398m.

| | |
|---|-----------------|
| Budget Agreed by Council 5 March 2018 | £88.436m |
| Central Administration Service – centralisation of budget | (£0.107m) |
| Printer Lease Charges – centralisation of budget | (£0.115m) |
| Contribution to ERS | (£0.010m) |
| Recurring variances adjustment | (£0.263m) |
| Music Services transferred from Cultural Services | £0.457m |
| Revised Budget | £88.398m |

Capital

- 3.2** At Council on 5 March 2018, Members also agreed the updated 10 year General Services Capital Plan for 2018/19 to 2025/26. The next three years from 2018/19 to 2020/21 have been approved in detail with the remaining years being indicative at this stage.

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 £0.719m adverse. Information and all individual variances of over £50,000 are detailed in Appendix 3.
- 4.3** Agreed savings and management adjustments for 2018/19 are monitored and of the total being monitored (£0.259m), it is anticipated that all will be achieved (see Appendix 4).

Capital

- 4.4** The current progress on the capital plan is shown in Appendices 5 to 7.
- 4.5** The overall programme summary report at Appendix 5 shows that planned expenditure and resource for 2018/19 is lower than previously anticipated by £2.131m (33.8% of the annual budget)). This is made up of £2.560m relating to project slippage, partially offset by £0.429m relating to an in-year overspend.
- 4.7** Based upon current assumptions, over the life of the projects planned expenditure and resource is higher than anticipated by £0.356m (0.46% of a total budget of almost £77m). The present variances should be viewed in the knowledge that there are a number of variable factors which could arise between now and project end dates which could affect the overall capital programme.
- 4.8** Appendix 5 also provides both an analysis of the overall programme at each alert status and a summary budgetary control report. The tables at the top detail both the number of projects and the corresponding spend as a percentage of the overall programme currently at red, amber or green alert status for project life and the current year.
- 4.9** Appendix 6 details financial analysis of projects at red status, with additional information on action being taken to minimise or mitigate under or overspends where possible, while Appendix 7 provides an analysis of projects at green status where the variance is over £0.050m.

- 4.10** From the analysis within the appendices it can be seen that there is one project with material slippage. This is listed below:

| Project Name | Slippage (£m) |
|-------------------------|----------------------|
| New Early Years Funding | 2.218 |

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 cost being identified between now and the end of the financial year. As members will be aware the 2018/19 pay awards have not yet been settled for Teachers and APT&C staff. 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.

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 both Finance and Legal services have been requested on this report and they have advised there are neither any 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.

Laura Mason
Strategic Leader – Education, Learning and Attainment

Date: 19 November 2018

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Appendices: Appendix 1 - Revenue Budgetary Control 2018/2019
- Summary Report

Appendix 2 - Revenue Budgetary Control 2018/2019
- Service Reports

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Appendix 3 - Analysis of Revenue Variances over
£50,000

Appendix 4 - Monitoring of Management Adjustments &
Savings 2018/19

Appendix 5 - Capital Programme summary

Appendix 6 - Capital Projects at Red Status

Appendix 7 – Capital Projects at Green Status where the
variance is over £50,000

Background Papers: Ledger output – period 7

General Services Revenue Estimates 2018/19

Wards Affected: All