

WEST DUNBARTONSHIRE COUNCIL

Report by the Director of Education and Cultural Services

Children's Services Committee: 11 October 2006

Subject: 2006- 07 Revenue Estimates – Budgetary Control Report for the Period 1 April to 15 August 2006

1. Purpose

- 1.1** This report provides Members with the latest information on expenditure and income to date within the Education and Cultural Services approved budget for 2006-7.

2. Background

- 2.1** The 2006-7 Education & Cultural Services budget forms part of the total General Services budget approved at a Special Meeting of the Council on 9th February 2006. Periodic reports are prepared throughout the financial year, in order to assess the extent to which expenditure and income are in line with budget expectations. Reports submitted to the Children's Services Committee reflect the latest financial period for which information is available. This report covers the period from 1st April to 15th August 2006.

3. Main Issues

- 3.1** There is an overall adverse variance of £197,020 or 0.74% of the budget to date.
- 3.2** The attached appendices provide the following information for the period 1 April to 15 August 2006:
- (a) Total expenditure and income against budget, by type of expenditure (e.g. Employee Costs) is shown in **Appendix A**,
 - (b) Total expenditure and income against budget across individual services (e.g. Primary) is shown in **Appendix B**,
 - (c) Expenditure and income against budget by type of expenditure for individual services is shown in **Appendix C**,
 - (d) Explanation of variances in excess of £25,000 by type of expenditure for individual services is shown in **Appendix D**.

3.3 The most significant variances by service area are as follows:

Central Administration - £30,520 Adverse

The adverse variance is mainly at Supplies & Services/ Admin. (£35,380) and relates to Advertising. This budget historically overspends but should be offset by under-spends from vacant posts savings across the department.

Primary - £30,130 Adverse

There is an overspend at Property Costs (£30,100) due to Energy costs. This is due to a combination of significant oil price increases, and overspends in other Energy lines due to the budget not fully reflecting current levels of spend.

Special - £40,690 Favourable

There is an under-spend at staffing (£52,320) due mainly to a lower than anticipated demand on the cover budget at this stage in the year.

There is a significant anticipated overspend in the budget for Residential Placements due to an unusually high number of very expensive placements, particularly in the secure sector. However, this is partly offset by a significant expected underspend in payments to other Councils for children placed in their schools. The net effect at this stage in the year is an adverse variance at Payments to Other Bodies (£15,380).

Psychological Services - £27,050 Favourable

There is an under-spend in staffing (£25,970) due to part-year vacancies and part of some staffs' salaries being funded from outside the Council's budget.

Pre-5 - £118,970 Adverse

There is an overspending in staffing (£132,810) partly due to the budget omitting to provide for increments awarded to some staff from 1st April 2006. This shall be rectified as part of the 2007-8 estimate preparation. There is a further overspend due to absence cover requirements at centres, for which there is only a very limited budget. Finally, a turnover savings target was allocated against the staffing budget that cannot be achieved due to the aforementioned cover requirement. Further information on the reasons for the overspend are being collated.

There is a further overspend in Payments to Other Bodies (£19,290) due to payments to commissioned providers of nursery places exceeding budget expectations at this stage.

The above overspends are partially offset by an underspend at Payments to Other Bodies (£23,000) for Contract Catering.

Libraries - £58,760 Adverse

There is a small overspend in staffing in some Library establishments which is being investigated (£18,610).

There is an overspend at Property Costs (£26,690) due mainly to a rental charge levied by Halls and Estates, for Faifley Library's occupancy of the 'Skypoint' building. This was not previously charged for and therefore not included in the 2006-7 budget.

4. Personnel Issues

- 4.1** There are no personnel issues.

5. Financial Implications

- 5.1** The overall adverse variance as reported, provides only an indication of the final out-turn position.

6. Conclusions

- 6.1** The report has compared year to date expenditure and income with the approved budget to date, for Education and Cultural Services.
- 6.2** As stated at 3.1, there is an overall adverse variance of £197,020 or 0.74% of the budget to date.
- 6.3** Updated reports shall be presented to subsequent Children's Services Committees throughout 2006-7.

7. Recommendation

7.1 Members are asked to note the contents of this report.

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Background Papers: None

Wards Affected: Not applicable