

# WEST DUNBARTONSHIRE COUNCIL

## Report by Executive Director of Educational Services

Educational Services Committee: 4 December 2013

---

**Subject: Educational Services Budgetary Position 2013/14 as at Period 7 year to 31 October 2013**

### **1. Purpose**

**1.1** The purpose of this report is to advise Members on progress of the Educational Services revenue budget and the approved capital programme relating to Educational projects.

### **2. Recommendations**

**2.1** Members are asked to note the contents of this report:

- (a) which shows a favourable revenue variance of £0.206m (0.41% of the phased budget);
- (b) which shows an anticipated capital favourable variance of £0.899m by the completion of all reported projects and a likely balance on committed spend of £4.607m being carried forward for spend in 2014/15; and
- (c) which advises of capital budget virements due to be reported to Council on 18 December 2013.

### **3. Background**

**3.1** At the meeting of West Dunbartonshire Council on 6 February 2013, Members agreed the Educational Services revenue budget of £79.054m.

**3.2** At a meeting of West Dunbartonshire Council on 6 February 2013, Members agreed the 10 year General Services Capital Plan for 2013/2014 to 2022/23. The first three years from 2013/14 to 2015/16 have been approved in detail with the remaining 7 years being indicative at this stage.

**3.3** The proportion of approved capital budget which relates to educational projects totals £51.615m. This is made up by expenditure that has been carried forward from 2012/13 and new projects approved at the Council meeting noted at 3.2 and as detailed at Appendix 4.

### **4. Main Issues**

#### Revenue Budget

**4.1** Appendices 1 and 2 identify a total favourable variance (underspend) within the revenue budget of £0.206m (0.41% of the phased budget).

- 4.2 Information on the year to date variances in excess of £0.025m (or greater than 10% of budget) are noted in Appendix 3.
- 4.3 Although the report indicates that there is a favourable variance in comparison to that anticipated during the budget exercise, the present variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March and which could affect the year end results.

#### Capital

- 4.4 The current departmental budgetary position is detailed in Appendix 4.
- 4.5 The following capital projects have now been identified as not likely to fully spend the annual budgeted amounts within 2013/14. This means that the spend profile of these projects requires to be re-phased, and this will be advised to Council as part of the refresh of the 10 year capital plan when reporting to Council on 6 February 2014. The projects affected are:
- 4.5.1 OLSP New Build (spend – re-profiled value £3.9m)**  
The project has recently been subject to public consultation and Scottish Government consideration. The outcome of which will be considered by Members at a special Education Committee in January 2014 and following the decision on the site location, the total budget will be re-profiled.
- 4.5.2 Aitkenbar/St Peter's PS Co-location (spend – re-profiled value £0.572m)**  
The project has recently been subject to public consultation and Scottish Government consideration. The outcome of which will be considered by Members at a special Education Committee in January 2014 and following the decision on the site location, the total budget will be re-profiled; and
- 4.5.3 Kilpatrick School New Build (spend – re-profiled value £0.187m)**  
There has been a delay in appointing the project design team (now appointed). Design started in November 2013 and build timelines are to be finalised, thereafter the project spend will be re-profiled accordingly.
- 4.6 There are also a number of projects where costs are now expected to vary from the original budget and virement requests have been submitted by officers as noted in the table below. In accordance with the financial regulations, the virement of £0.052m could be approved separately by the Head of Finance and Resources in consultation with the Service Convener; however, for consistency all capital virements will be reported to Members for approval.

<b>Project</b>	<b>Original Budget 2013/14 £</b>	<b>Virement Request £</b>	<b>Revised Budget 2013/14 £</b>	<b>Reason for Virement</b>
OHR PS Extension	240,000	104,990	344,990	Additional costs due to moving The Stand from St Andrew's HS site to OHR
Brock Bowling Club	88,000	65,000	153,000	Additional costs due to water rising main diversion
Electrical Upgrades	82,000	(52,000)	30,000	Full budget allocation for Auchnacraig EE&CC no longer required due to revisions in the scope of works.
Heating Upgrades	185,000	52,000	237,000	Tender costs for Clydemuir PS heating system higher than budgeted.
<b>Total</b>	<b>575,000</b>	<b>169,990</b>	<b>744,990</b>	

**4.7** All funding required for the increased costs in relation to both the OHR PS Extension and the Brock Bowling Club has been identified from the general 'Building Upgrades' budget. However, this budget is administered within the Housing, Environmental and Economic Development capital budget. Members will be asked to approve the above virement requests (including the inter-service request re building upgrades) at the Council meeting on 18 December 2013, with nil net effect to the overall general services capital budget.

**4.8** Appendix 4 also highlights an anticipated capital favourable variance of £0.899m over the project life. On the assumption that the above virements have been approved this will result in the anticipated favourable variance increasing to £1.069m as per the table below.

<b>Project Life Favourable Variance £</b>	<b>Virement Request £</b>	<b>Revised Project Life Favourable Variance £</b>
899,000	169,990	1,069,000

**4.9** The variance noted within 4.8 is mainly due to a significant underspend being anticipated in the cost of the build of Dumbarton Academy of around £1m. This project is not yet fully complete and the final value of this underspend will not be known until final works and payments are made.

## **5. People Implications**

**5.1** There are no people implications.

## **6. Financial Implications**

**6.1** Other than the financial position noted above, there are no financial 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. This can affect all service areas.

## **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 both 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 five strategic priorities of the Council's Strategic Plan. This forms part of the financial governance of the Council.

---

**Terry Lanagan**  
**Executive Director of Educational Services**  
**Date: 22 November 2013**

---

**Person to Contact:** Jackie Allison - Business Unit Finance Partner  
(Educational Services) - Tel. No. 01389 737322 – email  
Jackie.allison@west-dunbarton.gov.uk

**Appendices:** Appendix 1 – Revenue Budgetary Control Report Service  
Summary Period 7  
Appendix 2 – Revenue Budgetary Control Report Spend  
Summary and detail Period 7  
Appendix 3 – Revenue Variance Analysis  
Appendix 4 – Capital Programme Progress

**Background Papers:** General Ledger prints (period 7)

**Wards Affected:** All