

## WEST DUNBARTONSHIRE COUNCIL

## Report by the Chief Education Officer

Educational Services Committee: 23 September 2020

**Subject: Educational Services Budgetary Control Report to 31 July 2020 (Period 4).**

## 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 July 2020 (Period 4).

## 2. Recommendations

2.1 Committee is asked to:

(a) note that the revenue account currently shows a projected annual adverse revenue variance of £1.046m (less than 0.5%) of which £0.633m (over 61%) is covid-related; and

(b) note that the capital account shows a projected in-year adverse variance of £0.128m (0.85% of the budget), which includes covid-related delays to three projects of £0.670m.

## 3. Background

### Revenue

3.1 At the meeting of West Dunbartonshire Council on 4 March 2020, Members agreed the revenue estimates for 2020/2021, including a total net Educational Services Committee budget of £101.307m. Since then the following budget adjustments have taken place revising the budget to £100.704m.

<b>Budget Agreed by Council 27 March 2019</b>	<b>£101.307m</b>
Probationers	(£0.550m)
Various reductions re covid	(£0.446m)
Annual Recurring variance exercise	£0.393m
<b>Revised Budget</b>	<b>£100.704m</b>

### 3.2 Covid 19 Related Budget Adjustments

The completion of an exercise to identify spend which is controllable by services (such as utility costs and transport) has resulted in movement of budget worth £0.391m between services and the Contingency fund. This has transferred some favourable variances which would have been reported by the service to the contingency fund and will alleviate some of the additional spend pressure being identified due to Covid-19.

### 3.3 Annual Recurring Variances Exercise

Following the completion of the Annual Accounts 2019/20, an exercise was undertaken to identify recurring variances in all service areas. This has resulted in a net addition to the budget of £0.393 from the Contingency Fund (principally to cover additional day and residential placements with some reduction in our budget within PPP unitary charges).

### Capital

3.2 At the meeting of Council on 4 March 2020, Members also agreed the updated 10 year General Services Capital Plan for 2020/21 to 2029/30. The three years from 2020/21 to 2022/23 have been approved in detail with the remaining seven years from 2023/24 to 2029/30 being indicative at this stage. After adjusting for anticipated slippage from 2019/20 into 2020/21, the budget agreed for 2020/21 was £14.638.

3.3 Since then, budget adjustments have taken place (through further 2019/20 capital slippage), revising the 2020/21 annual budget to £15.043, as follows:

	£m
<b>Base Budget 2020/21</b>	£16.120
Anticipated Slippage from 2019/20 – March 2020	<u>(£1.482)</u>
Anticipated budget 2019/20 (Council – March 2020)	£14.638
Additional slippage from 2019/20 – following year end	<u>£0.405</u>
<b>Revised Base Budget 2020/21 – following year end</b>	<b><u>£15.043</u></b>

## 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 £1.046m adverse. Information and all individual variances of over £50,000 are detailed in Appendix 3.

4.3 Agreed savings and management adjustments for 2020/21 are monitored and of the total being monitored (£0.287m), it is anticipated that all will be achieved (see Appendix 4).

### Capital

4.4 Appendices 6 and 7 highlight two projects as showing in-year overspends. The overall Educational Services programme summary report at Appendix 5 shows that the expected overspend on the project life is anticipated to be £128k over the original budget for the two projects. Appendix 8 highlights all projects at green status, of which none have an in-year adverse variance of over £50k. The only significant variance is with Early Years Learning &

Childcare which has been severely impacted by covid19 restrictions on construction works.

## **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 covid19. 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: 7 September 2020**

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**Appendices:** Appendix 1 - Revenue Budgetary Control 2020/2021  
- Summary Report

Appendix 2 - Revenue Budgetary Control 2020/2021  
- Service Reports  
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Appendix 3 - Analysis of Revenue Variances over  
£50,000

Appendix 4 - Monitoring of Management Adjustments &  
Savings 2020/21

Appendix 5 - Capital Programme summary

Appendix 6 - Capital Projects at Red Status

Appendix 7 - Capital Projects at Amber Status

Appendix 8 – Capital Projects at Green Status

**Background Papers:** Ledger output – period 4

General Services Revenue Estimates 2020/21

**Wards Affected:** All