

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Officer (Resources)

Educational Services Committee: 8 March 2023

Subject: Educational Services Budgetary Control Report to 31 January 2023 (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 2023 (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 £1.284m (1.16% of the total budget) which declines to £0.839m (0.76% of the total budget) after application of COVID funds ; and
- (b) note that the capital account shows a projected in-year favourable variance of £2.110m which is budget being re-profiled to 2023/24.

3. Background

Revenue

- 3.1** At the meeting of West Dunbartonshire Council on 9 March 2022, Members agreed the revenue estimates for 2022/2023, including a total net Educational Services Committee budget of £107.788m. Since then the following budget adjustments have taken place revising the budget to £110.329m.

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)
National Insurance reduction	(£0.340m)
Revised Budget	£110.329m

- 3.2** The current APT&C pay award for staff from 1 April 2022 has been agreed. Any cost beyond the increase assumed in the budget requires to be funded. The teachers' pay award has yet to be agreed and this report assumes a pay award of 5%. There is a risk that the 2022/23 teachers' pay award is materially different from the pay offer for the rest of local government. Whilst the Scottish Government have committed additional funds to contribute towards the pay offer to teachers of 6% in 2022/23 and 5.5% in 2023/24 this offer has not been accepted and industrial action continues.

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 £1.284m adverse. Information and all individual variances of over £50,000 are detailed in Appendix 3.
- 4.3** The uncertainty surrounding the split in residential placements costs between WDC Education and HSCP has now been resolved. At its meeting held on 26 October 2022, Council agreed that the allocation of Residential Care Costs should change from that of a 77.3% HSCP/22.7% Education split to a 72%/28% split in 2022/23 and on a recurring basis. Furthermore, on 21 December 2022, Members agreed that the proportionate share of the 2022/23 budget to support this change, be transferred from West Dunbartonshire Council to the HSCP budget. This has now been captured in the period 10 Budgetary Control Report in the retention of an additional £1.419m within the revised probable outturn for residential placements.
- 4.4** These period 10 figures do not capture any further reduction in costs arising from the two additional strike days (28th February and 1st March). This, when factored into future budgetary control reports, will reduce the projected overspend by approximately £0.400m to £0.884m. After the application of COVID funds the projected overspend would fall further to £0.439m.

Capital

- 4.5 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 £2.110m reprofiling of current year budget to 2023/24. Appendix 6 highlights 2 projects which will have budget reprofiled into 2023/24 and 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 with the ongoing , though diminishing, 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

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: 28 February 2023

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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 10
General Services Revenue Estimates 2022/23

Wards Affected: ,All