

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Educational Services

Educational Services Committee: 5 March 2014

Subject: Educational Services Budgetary Position 2013/14 as at Period 10 year to 31 January 2014

1. Purpose

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

2. Recommendations

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

- (a) which shows a favourable revenue variance of £0.163m (0.23%) of the probable outturn);and
- (b) which shows a forecast capital favourable variance of £0.242m against probable outturn for 2013/14. The report also shows an anticipated capital favourable variance of £11.460m by the completion of all reported projects.

3. Background

3.1 Members should note that per the Council's Financial Management and Control Code of Practice, from Period 8 onwards each year, the year to date actual spend is compared against year to date probable outturn spend (and not against revised budget).

3.2 A revised budget (probable outturn) of £87.988m was reported to members on 18 December 2013. The probable outturn indicated an underspend from revised budget of £0.260m within Education Services.

3.3 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 approved capital budget for Education totaled £15.893m and £51.615m for 2013/14 and the project life respectively. These budgets were subsequently revised to £15.063m and £50.785 following the transfer of £0.830m to other capital budgets.

3.4 A revised budget (probable outturn) for capital for 2013/14 of £10.120m was reported to members on 6 February 2014. The probable outturn indicated a variance of £4.943m from the revised budget representing an under spend of £0.065m and slippage of £4.878m.

4. Main Issues

Revenue Budget

- 4.1 Appendices 1 and 2 identify a total favourable variance (underspend) within the revenue budget of £0.163m (0.23% of the phased budget).
- 4.2 Notes 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 When setting the probable outturn total slippage of £4.878m (as noted in 3.4 above) was identified as required to be carried forward from 2013/14 into 2014/15. The main projects affected are:

OLSP New Build (slippage of £3.850m and a forecast overall project favourable variance of £13.850m)

The project has recently been subject to public consultation and Scottish Government consideration. The first choice location of school was rejected at committee meeting on 8th January 2014. The General Services 10 Year Capital Plan Update was reported to Members on 6 February 2014 which included revised project cost estimates and a rephrased expenditure plan.

The reduction in the level of spend anticipated is due to the final contract arrangements as it was initially anticipated that the council would receive a grant from Scottish Futures of £14m towards the total build cost of £22.5m. The project will now be funded through a revenue grant and the capital contribution from the Council is now £8.650m.

The reduction in the level of spend is fully offset by a reduction in anticipated income resulting in a nil impact to the Council;

Aitkenbar/St Peter's PS Co-location (slippage of £0.574m and a forecast overall project adverse variance £1.089m)

Following a period of public consultation, the current St Peter's site has been agreed as preferred location for the new build. The overall project costs are now anticipated to be £10.4m which was reflected in the General Services 10Year Capital Plan Update report to Council on 6 February 2014; and

Kilpatrick School New Build (slippage of £0.187m and a forecast overall project adverse variance £1.350m)

The overall project costs are now anticipated to be £9.5m which was reflected in the General Services 10 Year Capital Plan Update report to Council on 6 February 2014.

- 4.6 There are also a number of projects where additional slippage of £0.242m is now anticipated compared to the Probable outturn anticipated for 2013/14 (noted in 2.1(b)) as noted below:

Fine Arts Conservation Programme (forecast 2013/14 favourable variance £0.122m and nil overall project variance)

Due to the substantial nature of the conservation work required no one conservation company could take on the entire project resulting in the appointment of three contractors which resulted in a slight delay in project commencement. In addition aspects of the works were reliant upon external funding being awarded and these works could not begin until funding was awarded. Plans/drawings have been completed on time and works scheduled subject to committee approval on 5 March 2014; and

Brock Bowling Club (forecast 2013/14 favourable variance £0.133m and nil overall project variance)

Work on the diversion of surface water and sewerage drainage is expected to be delayed with the majority of works completed by approximately August 2014.

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 or 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.

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Date: 14 February 2014

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Appendices: Appendix 1 – Revenue Budgetary Control Report Service
Summary Period 10
Appendix 2 – Revenue Budgetary Control Report Spend
Summary and detail Period 10
Appendix 3 – Revenue Variance Analysis
Appendix 4 – Capital Programme Progress

Background Papers: General Ledger prints (period 10)
Wards Affected: All