

WEST DUNBARTONSHIRE COUNCIL

Report by the Chief Officer (Resources)

Educational Services Committee: 19 March 2025

Subject: Educational Services Revenue Budgetary Control Report to 31 January 2025 (Period 10).

1. Purpose

- 1.1 The purpose of the report is to provide update on the financial performance of the Educational Services revenue budget to 31 January 2025 (Period 10) and the forecast position at 31 March 2025.

2. Recommendations

- 2.1 Committee is asked to:

- (a) note the 2024/25 revenue account has a projected adverse revenue variance of £0.311m which becomes a favourable variance of £0.006m after use of earmarked reserves (detail in paragraph 6.2).

3. Background

Revenue

- 3.1 At the meeting of West Dunbartonshire Council on 6 March 2024, Members agreed the revenue estimates for 2024/2025, including a total net Educational Services Committee budget of £123.901m. Since then the following budget adjustments have taken place revising the budget to £125.198m.

| | £m |
|---|----------------|
| Budget Agreed by Council 6 March 2024 | 123.901 |
| Previously Reported at period 5 | |
| Early Years revenue support grant | 0.413 |
| Reduction in APT&C pension contribution | (2.284) |
| Subsequent Changes | |
| Scottish Government contribution towards APT&C / Teacher pay awards | 0.939 |
| Increase in Teacher pension contributions (Para 3.2) | 1.523 |
| £12 per hour pay commitment (Para 3.3) | 0.364 |
| Transfer of Youth Learning to Education (Para 3.4) | 0.342 |
| Revised Budget as at period 10 | 125.198 |

- 3.2** In 2023 the Scottish Teachers' Pension Scheme was subject to its periodic valuation review to set employer contributions. The valuation confirmed that an increase in the employer contribution rate was required from a rate of 23% to 26% from 1 April 2024. The cost to the Council is forecast to be £1.523m.
- 3.3** The Scottish Government has provided local authorities with an additional £16m in 2024/25 to fund the estimated additional costs associated with enabling funded ELC workers in private and third sector services to be paid at least £12 per hour (the new real Living Wage rate) from April 2024. In addition, funding was provided to pay at least £12 per hour for all direct care commissioned services, an area within which Educational residential placements were in scope. Education service's share of this additional funding was £0.364m.
- 3.4** From January 2025 Youth Learning activities, along with the associated budget, has been transferred to Educational Services as part of a wider reorganisation of the Communities service.
- 3.5** A list of agreed efficiencies and management adjustments totalling £1.745m is shown within Appendix 4. It is anticipated £1.653m will be achieved, the shortfall of £0.092m being in early start clubs income. This shortfall will be covered by the smoothing fund in 2024/25 and a cost pressure has been added to the Council's projected 2025/26 budget as reported to Council on 5 March 2025.

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 £0.006m favourable. Information and all individual variances of over £50,000 are detailed in Appendix 3. The principal reasons for the movement in the variance since last reported to Committee is shown below.

| | | £m | £m |
|--|-------------------------------|-----------|----------------|
| Net underlying adverse variance at period 5 | | | 0.057 |
| Special Schools | Increase in transport costs | 0.053 | |
| Psychological Services | Increase in staff recharges | (0.047) | |
| Pre 5s | Decrease in employee costs | (0.183) | |
| Cultural Services | Decrease in employee costs | (0.021) | |
| PPP | Increase in NDR/Water rates | 0.184 | |
| Central Admin | Increase in FSM payments | 0.006 | |
| Education Development | Decrease in external payments | (0.045) | |
| Other | | (0.010) | |
| Total movements in Service Variances | | | (0.063) |
| Net underlying favourable variance at period 10 | | | (0.006) |

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.

6.2 To date £0.317m of expenditure is funded by earmarked reserves as follows:

- Summer programme - £0.100m
- Whole Family Wellbeing - £0.125m
- Smoothing fund (early start income shortfall) - £0.092m

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. Finance staff are in regular discussion with budget holders to ensure potential issues are identified as early as possible 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 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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Date: 3 March 2025

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Appendices:

Appendix 1 - Revenue Budgetary Control 2024/25 Summary Report

Appendix 2 - Revenue Budgetary Control 2024/25 Service Reports

Appendix 3 - Analysis of Variances over £50,000

Appendix 4 – Monitoring of Efficiencies and Management Adjustments

Background Papers: General Services Revenue Estimates 2024/25

Wards Affected: All