

**To: Education and Children's Services Policy Board**

**On: 19 January 2023**

**Report by: Director of Finance and Resources and Director of Children's Services**

**Heading: Revenue and Capital Budget Monitoring as at 11 November 2022**

## 1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2023 for Children's Services is an overspend of £5.269m (2.3%) against the revised budget for the year.
- 1.2. The projected Capital outturn at 31 March 2023 for Children's Services is an underspend of £0.100m (0.6%).
- 1.3. This is summarised over the relevant service in the table below and further analysis is provided in the Appendices.

**Table 1: Revenue**

Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children's Services	£225.765	£231.034	(£5.269m)	(2.3%)

**Table 2: Capital**

Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children's Services	£5.753	£5.653	£0.100	1.7%

## 2. Recommendations

Members are requested to:

- 2.1. Note the projected Revenue outturn position for Children's Services detailed in Table 1 above, and further note that the forecast position is based on best

estimates and confirmed government support at this point in time; forecasts are likely to be subject to fluctuation as the year progresses;

- 2.2. Note projected Capital outturn position for Children's Services detailed in Table 2 above; and
- 2.3. Note the budget adjustments detailed in sections 4 and 6.

### **3. Children's Services Revenue**

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £5.269m (2.3% of total budget). Detailed service division reports can be found in Appendix 2, along with an explanation of each significant projected variance.
- 3.2. The projected outturn is based on available information and assumptions made by service budget holders in November 2022. These assumptions will be refined during the year as more information becomes available.
- 3.3. The main reasons for the projected outturn position are indicated below the table showing the objective analysis (which division is spending the budget).
- 3.4. A £4.158m overspend is anticipated within Children & Families related mainly to external residential accommodation placements. During the second year of the pandemic the service required to place a number of children and young people in external residential accommodation. These placements have resulted in overspend due to the cost of the specialised services required to meet the complex needs of the children and young people who have been accommodated.
- 3.5. All external placements are held under continual review by the service to ensure they continue to meet the needs of the individual children and young people. Options to mitigate cost pressure are examined on an ongoing basis.
- 3.6. The impact of rising energy costs across the various divisions of service is contributing a further £1.502m to the full-year projected overspend. This service is responsible for around 75% of the Council's annual electricity and gas costs.

### **4. Revenue Budget Adjustments**

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.202m have been processed since the last report. These relate mainly to an adjustment to remove rates budgets from Early Learning & Childcare Centres (£0.177m) and transfers to other services for property adaptations (£0.025m)

### **5. Children's Services Capital**

- 5.1. The Capital Investment Programme 2022/23 to 2026/27 was approved by the Council on 3 March 2022.
- 5.2. The Capital Monitoring report at Appendix 3 indicates changes totalling £9.735m in the approved capital programme for Education and Children's

Services since the previous Policy Board, bringing the total changes to date to a net of £7.606m. This relates to budget carried forward into 2023/24 from 2022/23 in relation to the new Paisley Grammar Campus.

- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 3.

## **6. Capital Budget Adjustments**

- 6.1. Since the last report, budget changes totalling £9.735m have arisen which reflect the following:

Budget carried forward to 2023/24 from 2022/23 (9.735m)

- Paisley Grammar New Campus (£9.735m) to reflect the expected project timescales.

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## **Implications of this report**

### **1. Financial**

The projected budget outturn position for Children's Services' Revenue budget is an overspend of £5.269m. Income and expenditure will continue to be monitored closely for the rest of the financial year and, where necessary, steps will be taken to mitigate any overspend including applying flexibility within specific grant funding as permitted by the Scottish Government.

The projected outturn position for Children's Services' Capital budget is an underspend of £0.100m. The Capital programme will continue to be monitored closely for the rest of the financial year.

Any changes to current projections in either Revenue or Capital budgets will be reported to the board as early as possible, along with an explanation for the movement.

### **2. HR and Organisational Development**

None directly arising from this report.

### **3. Community/Council Planning**

None directly arising from this report.

### **4. Legal**

None directly arising from this report.

### **5. Property/Assets**

None directly arising from this report.

**6. Information Technology**

None directly arising from this report.

**7. Equality and Human Rights**

The recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

**8. Health and Safety**

None directly arising from this report.

**9. Procurement**

None directly arising from this report.

**10. Risk**

The potential risk that the Council will overspend its approved budgets for the year will be managed at a Council-wide level by the Chief Executive and Directors.

**11. Privacy Impact**

None directly arising from this report.

**12. CoSLA Policy Position**

n/a

**13. Climate Risk**

None directly arising from this report.

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**List of Background Papers: None**

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2022/23**  
**1 April 2022 to 11 November 2022**

**POLICY BOARD : EDUCATION & CHILDREN'S SERVICES**

Subjective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	155,932	5,696	161,628	159,459	2,169	1.3%	735	1,434
Premises Related	9,221	(201)	9,020	10,832	(1,812)	(20.1%)	(1,642)	(170)
Transport Related	4,598	1	4,599	5,780	(1,181)	(25.7%)	(898)	(283)
Supplies and Services	35,031	(4,906)	30,125	29,420	705	2.3%	779	(74)
Third Party Payments	13,199	5	13,204	17,785	(4,581)	(34.7%)	(4,676)	95
Transfer Payments	14,394	(6)	14,388	15,591	(1,203)	(8.4%)	(256)	(947)
Support Services	46	22	68	61	7	10.3%	7	(0)
Depreciation and Impairment Losses	0	0	0		0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>232,421</b>	<b>611</b>	<b>233,032</b>	<b>238,928</b>	<b>(5,896)</b>	<b>(2.5%)</b>	<b>(5,951)</b>	<b>55</b>
Income	(6,454)	(813)	(7,267)	(7,894)	627	8.6%	517	110
<b>NET EXPENDITURE</b>	<b>225,967</b>	<b>(202)</b>	<b>225,765</b>	<b>231,034</b>	<b>(5,269)</b>	<b>(2.3%)</b>	<b>(5,434)</b>	<b>165</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2022/23**  
**1 April 2022 to 11 November 2022**

**POLICY BOARD : EDUCATION & CHILDREN'S SERVICES**

Objective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Directorate	486	(14)	472	442	30	6.4%	0	30
Early learning and childcare	34,056	(194)	33,862	32,476	1,386	4.1%	1,682	(296)
Primary	56,779	985	57,764	58,476	(712)	(1.2%)	(1,113)	401
Secondary	78,501	611	79,112	80,072	(960)	(1.2%)	(735)	(225)
ASN (Special) Schools	6,397	31	6,428	6,512	(84)	(1.3%)	(87)	3
Additional support for learning (ASL)	15,441	146	15,587	16,319	(732)	(4.7%)	(688)	(44)
Psychological services	744	0	744	764	(20)	(2.7%)	(39)	19
Education development	1,790	(20)	1,770	1,770	0	0.0%	0	0
Attainment Challenge	635	(1,366)	(731)	(731)	0	0.0%	0	0
Facilities management	598	(21)	577	596	(19)	(3.3%)	0	(19)
Children & Families	30,540	(360)	30,180	34,338	(4,158)	(13.8%)	(4,454)	296
<b>NET EXPENDITURE</b>	<b>225,967</b>	<b>(202)</b>	<b>225,765</b>	<b>231,034</b>	<b>(5,269)</b>	<b>(2.3%)</b>	<b>(5,434)</b>	<b>165</b>

Objective Heading	Key Reasons for Projected Variance
Directorate	An underspend in Employee Costs is projected, mainly in relation to indirect employee costs.
Early Learning and Childcare	An underspend in Employee Costs is projected due to vacancies within the authority's Early Learning & Childcare Centres. This underspend is offset by a projected overspend in Transfer Payments in relation to an increase in the rate paid to funded providers (private and voluntary sector nurseries and childminders), and a projected overspend in Premises Costs resulting from the increase in energy costs.
Primary Schools	Overspends in Premises Costs and Transport Costs are projected. The overspend in Premises Costs is due an expected increase in energy and refuse collection costs. The overspend in Transport is due to an expected increase in the cost of the mainstream school transport contract.
Secondary Schools	Overspends in Premises Costs and Transport Costs are projected. The overspend in Premises Costs is due an expected increase in energy and refuse collection costs. The overspend in Transport is due to an expected increase in the cost of the mainstream school transport contract.
ASN Schools	An overspend in Premises Costs is projected. This is due to the increase in energy costs.
Additional Support for Learning	An overspend in Transport Costs is projected. This is due to increases in the cost of transport contracts for pupils with additional support needs.
Psychological Services	An overspend in Employee Costs is projected.
Education Development	No significant projected year end variances to report.
Facilities Management	An overspend in employee Costs is projected, arising the service's share of the council-wide occupational health contract.
Children & Families	An overspend in Transfer Payments is projected, mainly in relation to external residential accommodation placements, where the number of complex, expensive packages has increased significantly. All external placements are held under continual review by the service, with options to mitigate cost pressure being examined on an ongoing basis. The full-year projected (adverse) variance has improved since the previous position due mainly to staff vacancies within Children's Residential Accommodation and to an increase in the number of placements for unaccompanied asylum-seeking children (for which Home Office funding is provided).

RENFREWSHIRE COUNCIL  
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES  
1st April to 11th November 2022  
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2022  £000	Current Year 2022-23						Full Programme - All years			
		Approved Budget 2022-23  £000	Budget Adjustments in 2022-23  £000	Revised Budget 2022-23  £000	Projected Outturn 2022-23  £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-27 £000	Projected Outturn to 31-Mar-27 £000	Budget Variance (Adverse) or Favourable	
<b>EDUCATION &amp; CHILDREN SERVICES</b>											
Primary Schools Estate Programme(SEMP)	42,665	0	233	233	133	100	43%	42,898	42,798	100	0%
Paisley Grammar New Campus	1,110	10,950	(9,950)	1,000	1,000	0	0%	51,250	51,250	0	0%
Primary Schools Estate Programme(SEMP 2020)	0	0	0	0	0	0	0%	10,000	10,000	0	0%
Other Schools Investment Programmes	22,057	2,009	2,111	4,120	4,120	0	0%	26,231	26,231	0	0%
Technology Replacement Strategy ICT	0	400	0	400	400	0	0%	2,000	2,000	0	0%
<b>TOTAL EDUCATION &amp; CHILDREN'S SERVICES BOARD</b>	<b>81,011</b>	<b>13,359</b>	<b>(7,606)</b>	<b>5,753</b>	<b>5,653</b>	<b>100</b>	<b>2%</b>	<b>147,558</b>	<b>147,458</b>	<b>100</b>	<b>0%</b>

\*Rolling programmes have a prior year year expenditure of £0 as the expenditure is not directly linked from one year to the next as a singular project.

Objective Heading	Key Reasons for Projected Variance
Primary Schools Estate Programme(SEMP)	Minor underspends relate to St Fergus new build and St Anthony refurbishment.
Paisley Grammar New Campus	
Primary Schools Estate Programme(SEMP 2020)	
Other Schools Investment Programmes	
Technology Replacement Strategy ICT	