

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

**On:** 24 August 2023

**Report by:** Director of Finance and Resources,  
Interim Chief Education Officer and Chief Social Work Officer

**Heading:** Revenue and Capital Budget Monitoring as at 23 June 2023

## 1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2024 for Children's Services is an overspend of £2.623m (1.1%) against the revised budget for the year.
- 1.2. The projected Capital outturn at 31 March 2024 for Children's Services is an underspend of £0.143m (1.9%).
- 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	245.352	247.975	(2.623)	(1.1%)

**Table 2: Capital**

Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children's Services	7.338	7.195	0.143	1.9%

## 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;

- 2.2. Note the 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 £2.623m (1.1% 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 main reasons for the projected outturn position are indicated below the table showing the objective analysis (which division is spending the budget).
- 3.3. A £2.651m overspend is anticipated within Children & Families related mainly to external specialised residential accommodation placements. An additional £2m was set aside in the 2023/24 budget, with an "expectation that up to a further £3m may be required to be funded from ringfenced balances in 2023/24". This position will be closely monitored as the year progresses.
- 3.4. 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 pressures continue to be examined.
- 3.5. Further overspends are anticipated in relation to contracted mainstream and additional support needs transport costs.

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

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £6.317m have been processed since the budget was approved. These adjustments relate almost entirely to the increase in budget arising from the teachers' pay award, which had not been agreed at the time of the budget being approved in March 2023.

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

- 5.1. The Capital Investment Programme 2023/24 to 2027/28 was approved by the Council on 2 March 2023.
- 5.2. The Capital Monitoring report at Appendix 3 indicates changes totalling £1.567m in the approved capital programme for Education and Children's Services. This largely relates to budget carried forward from 2022/23 to 2023/24 and budget carried from 2024/25 into 2023/24.
- 5.3. The projected Capital outturn at 31 March 2024 for Children's Services is an underspend of £0.143m (1.9%). Further detail, including reasons for significant variances, can be found at Appendix 3.

## **6. Capital Budget Adjustments**

- 6.1. Since the last report there have been budget changes totalling £1.567m, comprising the following:

Budget that had been carried back from 2023/24 to 2022/23 to reflect updated cash flows in respect of payments made prior to 1 April 2023:

- Paisley Grammar School new campus £2.710m;
- Thorn Primary School new build investigation work £0.013m;
- ICT technology replacement strategy £0.074m;

Budget that has been brought forward from 2022/23 to 2023/24 to reflect updated cash flows in respect of payments made after 31 March 2023:

- Primary schools estate programme (SEMP) £0.203m;
- Other schools investment programmes £1.027m.

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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 £2.623m. Income and expenditure will continue to be monitored closely for the rest of the financial year and steps will be taken to mitigate any overspend, including applying flexibility within specific grant funding as permitted by the Scottish Government, and potential use of earmarked reserves.

The projected outturn position for Children's Services' Capital budget is an underspend of £0.143m. The Capital programme will continue to be monitored closely for the rest of the financial year.

### **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 2023/24**  
**1 April 2023 to 23 June 2023**

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

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget at Period 3	Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	%
Employees	166,164	5,040	171,204	169,371	1,833	1.1%
Premises Related	9,041	(57)	8,984	9,464	(480)	(5.3%)
Transport Related	4,590	2	4,592	6,077	(1,485)	(32.3%)
Supplies and Services	31,776	582	32,358	32,071	287	0.9%
Third Party Payments	15,198	0	15,198	18,150	(2,952)	(19.4%)
Transfer Payments	13,667	752	14,419	14,740	(321)	(2.2%)
Support Services	65	(1)	64	112	(48)	(75.0%)
Depreciation and Impairment Losses	0	0	0	0	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>240,501</b>	<b>6,318</b>	<b>246,819</b>	<b>249,985</b>	<b>(3,166)</b>	<b>(1.3%)</b>
Income	(1,466)	(1)	(1,467)	(2,010)	543	37.0%
<b>NET EXPENDITURE</b>	<b>239,035</b>	<b>6,317</b>	<b>245,352</b>	<b>247,975</b>	<b>(2,623)</b>	<b>(1.1%)</b>



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2023/24**  
**1 April 2023 to 23 June 2023**

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

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget at Period 3	Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	%
Directorate	480	0	480	412	68	14.2%
Early learning and childcare	34,532	(24)	34,508	33,235	1,273	3.7%
Primary	60,666	2,918	63,584	63,520	64	0.1%
Secondary	83,243	2,835	86,078	86,758	(680)	(0.8%)
ASN (Special) Schools	6,750	299	7,049	7,003	46	0.7%
Additional support for learning (ASL)	16,238	223	16,461	17,161	(700)	(4.3%)
Psychological services	802	34	836	886	(50)	(6.0%)
Education development	1,710	16	1,726	1,726	0	0.0%
Attainment Challenge	0	0	0	0	1	0.0%
Facilities management	620	4	624	617	7	1.1%
Children & Families	33,994	12	34,006	36,657	(2,651)	(7.8%)
<b>NET EXPENDITURE</b>	<b>239,035</b>	<b>6,317</b>	<b>245,352</b>	<b>247,975</b>	<b>(2,623)</b>	<b>(1.1%)</b>

Objective Heading	Key Reasons for Projected Variance
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).
Secondary Schools	Overspends in Premises Costs and Transport Costs are projected. The overspend in Premises Costs is due to an expected increase in refuse collection and janitorial supplies costs. The overspend in Transport is due to an increase in the cost of the mainstream school transport contract. These overspends are partly offset by a projected underspend within Employee Costs mainly in relation to teachers' salary costs. These will be kept under review during the year.
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.
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.



RENFREWSHIRE COUNCIL  
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES  
1st April to 23rd June 2023  
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2023 £000	Current Year 2023-24						Full Programme - All years			
		Approved Budget 2023-24 £000	Budget Adjustments in 2023-24 £000	Revised Budget 2023-24 £000	Projected Outturn 2023-24 £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)	42,695	0	203	203	60	143	70%	42,898	42,755	143	0%
Paisley Grammar New Campus	4,819	5,000	(2,710)	2,290	2,290	0	0%	75,100	75,100	0	0%
Thorn PS New Build	13	1,000	(13)	987	987	0	0%	10,000	10,000	0	0%
Dargavel Extension (Modular Units)	0	2,000	0	2,000	2,000	0	0%	2,000	2,000	0	0%
Other Schools Investment Programmes	24,188	505	1,027	1,532	1,532	0	0%	25,720	25,720	0	0%
Technology Replacement Strategy ICT	0	400	(74)	326	326	0	0%	1,926	1,926	0	0%
PPP Lifecycle	0	0	0	0		0	0%	0		0	0%
<b>TOTAL EDUCATION &amp; CHILDREN'S SERVICES BOARD</b>	<b>71,715</b>	<b>8,905</b>	<b>(1,567)</b>	<b>7,338</b>	<b>7,195</b>	<b>143</b>	<b>2%</b>	<b>157,644</b>	<b>157,501</b>	<b>143</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	