

To: Education and Children's Services Policy Board

On: 28 October 2021

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

Heading: Revenue and Capital Budget Monitoring as at 17 September 2021

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2022 for Children's Services is an overspend of £0.844m (0.4%) against the revised budget for the year.
- 1.2. The projected Capital outturn at 31 March 2022 for Children's Services is an underspend of £0.4m (<3%), against the revised budget for the year.
- 1.3. This is summarised over the relevant service in the table below and further analysis is provided in the Appendices.
- 1.4. For the financial year 2021/22, the projected outturn position is split into Core (or business as usual) and COVID-19 related variances to help readers understand the impact of the pandemic on service finances.

Table 1: Revenue

Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Children's Services	£219,346	£218,940	£1,290	£220,230	(£884)	(0.4%)

Table 2: Capital

Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Children's Services	£9,239	£8,839	£0	£8,839	£400	<3%

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 £0.884m (0.4% of total budget). Detailed division service reports can be found in Appendix 2, along with an explanation of each significant projected variance.
- 3.2. The projected outturn is based on information available and assumptions made by service budget holders as at the end of September 2021. These assumptions will be refined during the year as more information becomes available. The projected outturn and projected Covid related spend are net of education-specific Covid resource either carried forward from 2020/21 or additional allocations in year of £3.3m; and net of general Covid resource of £1.3m which is underpinning care-related spend.
- 3.3. The main reasons for the projected outturn position are indicated below the tables showing the objective analysis (which division is spending the budget).

4. Revenue Budget Adjustments

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.824m have been processed since the budget was approved. These related mainly to:
 - £1.901m net transfers to other services, mainly in relation to 1140 hours expansion, offset by transfers in for Families First & Cost of School Day
 - £0.540m received in relation Scottish Government funding to increase School Clothing Grants, remove Core Curriculum & School Music charges and Targeted Summer Activities, which was confirmed after the budget was approved;
 - £0.540m received for funding for budget motions, which was not previously included in approved budget, including Imagination Library, Young Carers, Trauma Awareness & Communities That Care Project.

5. Children's Services Capital

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4th March 2021.
- 5.2. The Capital Monitoring report at Appendix 3 indicates changes totalling £2.435m in the approved capital programme for Education and Children's. This relates to budget carried forward to 2022-23 from 2021-22 for refurbishment work at Kirkandneuk & Bishopton Primary School and the Semp 2020 project
- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 3.

6. Capital Budget Adjustments

- 6.1. There have been budget changes totalling £2.435m since the last report:
Budget carried forward from 2021-22 to 2022-23 (£2.435m):
 - SEMP 2020 (£0.750m) to reflect the expected cash flows of the project with design and demolition costs only expected in 2021-22.
 - Other Schools Investment Programmes (£1.685m):
 - For fabric works at Bishopton Primary School (£0.750m) which was transferred from Lifecycle expected to take place in summer 2022;
 - Kirklandneuk Primary Extension £0.935m to reflect the expected timing of the work after the contract is awarded.

Implications of this report

1. **Financial** – The projected budget outturn position for Children's Services' Revenue budget is an overspend of £0.884m. 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 £0.4m. 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.

List of Background Papers: None

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	Revised Annual Budget at P3	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID- 19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	151,948	4,455	156,403	155,291	407	155,698	705	0.5%	68	637
Premises Related	9,136	(29)	9,107	9,590	94	9,684	(577)	(6.3%)	(455)	(122)
Transport Related	4,615	8	4,623	5,236	0	5,236	(613)	(13.3%)	(715)	102
Supplies and Services	33,571	(5,268)	28,303	27,713	203	27,916	387	1.4%	533	(146)
Third Party Payments	13,894	30	13,924	14,473	578	15,051	(1,127)	(8.1%)	(657)	(470)
Transfer Payments	13,385	1,484	14,869	15,065	8	15,073	(204)	(1.4%)	(290)	86
Support Services	200	0	200	201	0	201	(1)	(0.6%)	(19)	18
Depreciation and Impairment Losses	0	0	0			0	0	0.0%	0	0
GROSS EXPENDITURE	226,749	680	227,429	227,569	1,290	228,859	(1,430)	(0.6%)	(1,535)	105
Income	(6,579)	(1,504)	(8,083)	(8,630)	0	(8,630)	547	6.8%	108	439
NET EXPENDITURE	220,170	(824)	219,346	218,940	1,290	220,230	(884)	(0.4%)	(1,427)	543

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Revised Annual Budget at P3	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Directorate	629	0	629	629	0	629	0	0.0%	0	0
Early learning and childcare	36,699	(1,793)	34,906	33,889	16	33,905	1,001	2.9%	1,001	0
Primary	54,193	606	54,799	54,396	457	54,853	(54)	(0.1%)	(249)	195
Secondary	74,420	896	75,316	75,101	161	75,262	54	0.1%	(239)	293
ASN (Special) Schools	6,310	34	6,344	6,317	55	6,372	(28)	(0.4%)	(45)	17
Additional support for learning (ASL)	14,869	(68)	14,801	15,601	0	15,601	(800)	(5.4%)	(866)	66
Psychological services	730	0	730	755	0	755	(25)	(3.4%)	0	(25)
Education development	1,798	(75)	1,723	1,723	0	1,723	0	0.0%	0	0
Attainment Challenge	(284)	(745)	(1,029)	(1,029)	0	(1,029)	0	0.0%	0	0
Facilities management	603	(12)	591	699	23	722	(131)	(22.2%)	(86)	(45)
Child care	30,203	333	30,536	30,859	578	31,437	(901)	(3.0%)	(943)	42
NET EXPENDITURE	220,170	(824)	219,346	218,940	1,290	220,230	(884)	(0.4%)	(1,427)	543

Objective Heading	Key Reasons for Projected Variance
Directorate	No variances to report.
Early Learning and Childcare	Underspend mainly relates to employee costs.
Primary Schools	Overspend arises across a number of headings including premises costs and supplies & services.
Secondary Schools	Underspend arises across a number of headings including premises costs and transport costs.
ASN Schools	Overspend mainly relates to employee costs.
Additional Support for Learning	Overspend relates to employee costs and transport costs.
Psychological Services	Overspend mainly relates to employee costs.
Education Development	No variances to report.
Facilities Management	Overspend relates to employee costs and premises costs.
Children & Families	Overspend mainly relates to employee costs and third party payments.

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 17th September 2021
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2021*	Current Year 2021-22						Full Programme - All years			
		Approved Budget 2021-22	Budget Adjustments in 2021-22	Revised Budget 2021-22	Projected Outturn 2021-22	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-26	Projected Outturn to 31-Mar-26	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000			£000	£000		
EDUCATION & CHILDREN SERVICES											
Early Years 1,140 Hours Expansion	10,938	3,163	698	3,861	3,861	0	0%	14,800	14,800	0	0%
Primary Schools Estate Programme(SEMP)	42,269	362	367	729	629	100	14%	42,998	42,898	100	0%
Schools Estate Programme (SEMP 2020)	144	5,531	(4,781)	750	750	0	0%	51,250	51,250	0	0%
Other Schools Investment Programmes	20,372	3,606	(107)	3,499	3,199	300	9%	25,555	25,255	300	1%
Technology Replacement Strategy ICT	0	400	0	400	400	0	0%	2,000	2,000	0	0%
TOTAL EDUCATION & CHILDREN'S SERVICES BOARD	73,723	13,062	(3,823)	9,239	8,839	400	4%	136,603	136,203	400	0%

*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
Early Years 1,140 Hours Expansion	
Primary Schools Estate Programme(SEMP)	Minor underspends on St Paul and St Fergus primary investment projects will be transferred to the SEMP 2020 programme on final completion
Schools Estate Programme (SEMP 2020)	
Other Schools Investment Programmes	On completion of remedial works at Riverbrae School the anticipated underspend will be transferred to the SEMP 2020 programme
Technology Replacement Strategy ICT	