

To: Education and Children's Services Policy Board

On: 9 March 2023

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

Heading: Revenue and Capital Budget Monitoring as at 6 January 2023

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2023 for Children's Services is an overspend of £4.139m (1.8%) 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 (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	£229.185	£233.324	(£4.139m)	(1.8%)

Table 2: Capital

Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children's Services	£5.303	£5.203	£0.100	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 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 £4.139m (1.8% 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 £3.479m 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.
- 3.4. 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 pressure are examined on an ongoing basis.
- 3.5. 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 £3.420m have been processed since the last report. These relate mainly to the increase in budget arising from the local government (non-teachers) pay award.

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 £0.450m 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 £8.056m. This relates to budget carried forward into 2023/24 from 2022/23 for Other School Investment Programmes. The total budget adjustments to date of £8.056m comprise £7.606m of changes reported up

until the previous Policy Board, plus a further £0.450m of changes since then (as described above).

- 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 £0.450m have arisen which reflect the following:

Budget carried forward to 2023/24 from 2022/23 (£0.450m)

- Other School Investment Programmes (£0.450m) to reflect the timing of the expected start of Park Mains High School and St Andrew's Academy extensions.

Implications of this report

1. Financial

The projected budget outturn position for Children's Services' Revenue budget is an overspend of £4.139m. 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.

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 2022/23
1 April 2022 to 6 January 2023

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	Approved Annual Budget at Period 8	Budget Adjustments	Revised Annual Budget at Period 10	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	161,628	5,410	167,038	164,218	2,820	1.7%	2,169	651
Premises Related	9,020	(20)	9,000	10,817	(1,817)	(20.2%)	(1,812)	(6)
Transport Related	4,599	0	4,599	5,897	(1,298)	(28.2%)	(1,181)	(116)
Supplies and Services	30,125	(1,331)	28,794	28,858	(64)	(0.2%)	705	(770)
Third Party Payments	13,204	0	13,204	17,565	(4,361)	(33.0%)	(4,581)	220
Transfer Payments	14,388	83	14,471	14,875	(404)	(2.8%)	(1,203)	799
Support Services	68	0	68	59	9	12.5%	7	2
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	233,032	4,142	237,174	242,290	(5,116)	(2.2%)	(5,896)	780
Income	(7,267)	(722)	(7,989)	(8,966)	977	12.2%	627	351
NET EXPENDITURE	225,765	3,420	229,185	233,324	(4,139)	(1.8%)	(5,269)	1,130

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 6 January 2023

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Approved Annual Budget at Period 8	Budget Adjustments	Revised Annual Budget at Period 10	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Directorate	472	0	472	439	33	6.9%	30	3
Early learning and childcare	33,862	1,469	35,331	33,960	1,371	3.9%	1,386	(15)
Primary	57,764	216	57,980	58,441	(461)	(0.8%)	(712)	251
Secondary	79,112	406	79,518	80,381	(863)	(1.1%)	(960)	97
ASN (Special) Schools	6,428	42	6,470	6,534	(64)	(1.0%)	(84)	20
Additional support for learning (ASL)	15,587	545	16,132	16,795	(664)	(4.1%)	(732)	68
Psychological services	744	0	744	764	(20)	(2.7%)	(20)	0
Education development	1,770	2	1,772	1,772	0	0.0%	0	0
Attainment Challenge	(731)	(18)	(749)	(749)	0	0.0%	0	0
Facilities management	577	13	590	580	10	1.6%	(19)	29
Children & Families	30,180	746	30,926	34,405	(3,479)	(11.2%)	(4,158)	679
NET EXPENDITURE	225,765	3,420	229,185	233,324	(4,139)	(1.8%)	(5,269)	1,130

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), 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. These overspends are partly offset by an underspend within Employee Costs which is due to the impact of 3 days' strike action by teachers.
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. These overspends are partly offset by an underspend within Employee Costs which is due to the impact of 3 days' strike action by teachers.
ASN Schools	An overspend in Premises Costs is projected. This is due to the increase in energy costs. This overspend is partly offset by an underspend within Employee Costs which is due to the impact of 3 days' strike action by teachers.
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. The full-year projected (adverse) variance has improved since the previous position due mainly to increased funding provided by the Home Office to support the placement of unaccompanied asylum-seeking children as part of the National Transfer Scheme.

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 6th January 2023
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

		Current Year 2022-23						Full Programme - All years			
Project Title	Prior Years Expenditure to 31/03/2022 £000	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	
EDUCATION & CHILDREN SERVICES											
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%	41,250	41,250	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	1,661	3,670	3,670	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%
TOTAL EDUCATION & CHILDREN'S SERVICES BOARD	81,011	13,359	(8,056)	5,303	5,203	100	2%	137,558	137,458	100	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
Primary Schools Estate Programme(SEMP)	Minor underspends relate to St Fergus new build and St Anthony refurbishment.