

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

**On: 19 August 2021**

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

**Heading: Revenue and Capital Budget Monitoring as 25 June 2021**

## 1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2022 for Children's Services is an overspend of £1.427m (0.6%) 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<br>£000 | Projected Outturn Core<br>£000 | Projected Outturn COVID-19<br>£000 | Total Projected Outturn<br>£000 | Budget Variance<br>£000 | Budget Variance<br>% |
|---------------------|-------------------------------|--------------------------------|------------------------------------|---------------------------------|-------------------------|----------------------|
| Children's Services | £220,170                      | £220,910                       | £687                               | <b>£221,597</b>                 | (£1,427)                | (0.6%)               |

**Table 2: Capital**

| Division            | Revised Annual Budget<br>£000 | Projected Outturn Core<br>£000 | Projected Outturn COVID-19<br>£000 | Total Projected Outturn<br>£000 | Budget Variance<br>£000 | Budget Variance<br>% |
|---------------------|-------------------------------|--------------------------------|------------------------------------|---------------------------------|-------------------------|----------------------|
| Children's Services | £11,674                       | £11,274                        | £0                                 | <b>£11,274</b>                  | £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. The service will continue to mitigate as far as possible any overspend.
- 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 £1.427m (0.6% of total budget). This is after the application of Scottish Government covid related funding for Education provided for 2021/22 or brought forward from 2020/21. 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 June 2021. 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 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 £1.077m have been processed since the budget was approved. These related mainly to:
  - £0.954m in relation to Pupil Equity Funding from the Scottish Government which was confirmed after the budget was approved;
  - £0.125m for Music Tuition, from council reserves.

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

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4<sup>th</sup> March 2021.
- 5.2. The Capital Monitoring report at Appendix 3 indicates changes totalling £1.388m in the approved capital programme for Education and Children's. This relates to budget transfer for Other School Programmes, budget brought forward for Early Years 1,140 Expansion and revised cash flows
- 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 £1.388m since the last report:

Budget brought forward from 2020-21 to 2021-22 (£1.143m):

- Early Years 1,140 Expansion (£0.698m) largely related to the timings of cash flow for completion of the extensions at St Catherine's and St Margaret's;
- SEMP (£0.367m) to reflect expected final payments for St Anthony Refurbishment;
- Other Schools Investment Programmes (£0.078m) for cash flow timings in the School and Early Learning Estate projects.

Budget transfer in 2021-22 (£1.500m):

- Other Schools Investment Programmes (£1.500m) reflecting £0.750m transferred from the Strategic Asset Management Fund approved by Council motion on 4<sup>th</sup> March 2021 for the School and Early Learning Estate and a £0.750m budget transfer from Lifecycle Capital Maintenance for the refurbishment project at Bishopton Primary School.

Budget carried forward from 2021-22 to 2022-23 (£4.031m):

- SEMP 2020 (£4.031m) to reflect the expected cash flows of the project with the costs expected in 2021-22

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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 £1.427m. 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

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.

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**List of Background Papers: None**

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

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

| Subjective Summary                 | Approved<br>Annual Budget | Budget<br>Adjustments | Revised Annual<br>Budget | Projected<br>Outturn Core<br>Business | Projected<br>Outturn COVID-<br>19 | Total Projected<br>Outturn | Budget Variance<br>(Adverse) or Favourable |               |
|------------------------------------|---------------------------|-----------------------|--------------------------|---------------------------------------|-----------------------------------|----------------------------|--|---------------|
|                                    | £000                      | £000                  | £000                     | £000                                  | £000                              | £000                       | £000                                       | %             |
| Employees                          | 144,693                   | 7,255                 | 151,948                  | 151,865                               | 15                                | 151,880                    | 68   | 0.0%          |
| Premises Related                   | 9,176                     | (40)                  | 9,136                    | 9,497                                 | 94                                | 9,591                      | (455)                                      | (5.0%)        |
| Transport Related                  | 4,426                     | 189                   | 4,615                    | 5,330                                 | 0                                 | 5,330                      | (715)                                      | (15.5%)       |
| Supplies and Services              | 37,204                    | (3,633)               | 33,571                   | 33,038                                | 0                                 | 33,038                     | 533  | 1.6%          |
| Third Party Payments               | 13,919                    | (25)                  | 13,894                   | 13,973                                | 578                               | 14,551                     | (657)                                      | (4.7%)        |
| Transfer Payments                  | 11,000                    | 2,385                 | 13,385                   | 13,675                                | 0                                 | 13,675                     | (290)                                      | (2.2%)        |
| Support Services                   | 203                       | (3)                   | 200                      | 219                                   | 0                                 | 219                        | (19)                                       | (9.6%)        |
| Depreciation and Impairment Losses | 0                         | 0                     | 0                        |                                       |                                   | 0                          | 0  | 0.0%          |
| <b>GROSS EXPENDITURE</b>           | <b>220,621</b>            | <b>6,128</b>          | <b>226,749</b>           | <b>227,597</b>                        | <b>687</b>                        | <b>228,284</b>             | <b>(1,535)</b>                             | <b>(0.7%)</b> |
| Income                             | (1,529)                   | (5,050)               | (6,579)                  | (6,687)                               | 0                                 | (6,687)                    | 108  | 1.6%          |
| <b>NET EXPENDITURE</b>             | <b>219,092</b>            | <b>1,078</b>          | <b>220,170</b>           | <b>220,910</b>                        | <b>687</b>                        | <b>221,597</b>             | <b>(1,427)</b>                             | <b>(0.6%)</b> |

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

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

| Objective Summary                     | Approved<br>Annual Budget | Budget<br>Adjustments | Revised Annual<br>Budget | Projected<br>Outturn Core<br>Business | Projected<br>Outturn COVID-<br>19 | Total Projected<br>Outturn | Budget Variance<br>(Adverse) or Favourable |               |
|---------------------------------------|---------------------------|-----------------------|--------------------------|---------------------------------------|-----------------------------------|----------------------------|--|---------------|
|                                       | £000                      | £000                  | £000                     | £000                                  | £000                              | £000                       | £000                                       | %             |
| Directorate                           | 630                       | (1)                   | 629                      | 629                                   | 0                                 | 629                        | 0  | 0.0%          |
| Early learning and childcare          | 36,832                    | (133)                 | 36,699                   | 35,682                                | 16                                | 35,698                     | 1,001                                      | 2.7%          |
| Primary                               | 53,357                    | 836                   | 54,193                   | 54,419                                | 23                                | 54,442                     | (249)                                      | (0.5%)        |
| Secondary                             | 73,505                    | 915                   | 74,420                   | 74,633                                | 26                                | 74,659                     | (239)                                      | (0.3%)        |
| ASN (Special) Schools                 | 6,196                     | 114                   | 6,310                    | 6,342                                 | 13                                | 6,355                      | (45)                                       | (0.7%)        |
| Additional support for learning (ASL) | 14,922                    | (53)                  | 14,869                   | 15,735                                | 0                                 | 15,735                     | (866)                                      | (5.8%)        |
| Psychological services                | 730                       | 0                     | 730                      | 730                                   | 0                                 | 730                        | 0  | 0.0%          |
| Education development                 | 1,673                     | 125                   | 1,798                    | 1,798                                 | 0                                 | 1,798                      | 0  | 0.0%          |
| Attainment Challenge                  | 0                         | (284)                 | (284)                    | (284)                                 | 0                                 | (284)                      | 0  | 0.0%          |
| Facilities management                 | 594                       | 9                     | 603                      | 658                                   | 31                                | 689                        | (86)                                       | (14.3%)       |
| Child care                            | 30,653                    | (450)                 | 30,203                   | 30,568                                | 578                               | 31,146                     | (943)                                      | (3.1%)        |
| <b>NET EXPENDITURE</b>                | <b>219,092</b>            | <b>1,078</b>          | <b>220,170</b>           | <b>220,910</b>                        | <b>687</b>                        | <b>221,597</b>             | <b>(1,427)</b>                             | <b>(0.6%)</b> |

| 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               | Overspend 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          | No variances to report.  |
| 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 25th June 2021  
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

| Project Title  | Prior Years<br>Expenditure<br>to 31/03/2021*<br>£000 | Current Year 2020-21                  |   |                                      |   |  |           | Full Programme - All years                       |  |  |           |
|--|--|---------------------------------------|---|--------------------------------------|---|--|-----------|--|--|--|-----------|
|  |  | Approved<br>Budget<br>2021-22<br>£000 | Budget<br>Adjustments<br>in 2021-22<br>£000 | Revised<br>Budget<br>2021-22<br>£000 | Projected<br>Outturn<br>2021-22<br>£000 | Budget Variance (Adverse) or<br>Favourable |           | Total Approved<br>Budget<br>to 31-Mar-26<br>£000 | Projected<br>Outturn<br>to 31-Mar-26<br>£000 | Budget Variance (Adverse) or<br>Favourable |           |
|  |  |                                       |   |                                      |   |  |           |  |  |  |           |
| <b>EDUCATION &amp; CHILDREN SERVICES</b>               |  |                                       |   |                                      |   |  |           |  |  |  |           |
| 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                                 | (4,031)                                     | 1,500                                | 1,500                                   | 0  | 0%        | 51,250   | 51,250                                       | 0  | 0%        |
| Other Schools Investment Programmes                    | 20,372   | 3,606                                 | 1,578                                       | 5,184                                | 4,884                                   | 300  | 6%        | 25,555   | 25,255                                       | 300  | 1%        |
| 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>73,723</b>  | <b>13,062</b>                         | <b>(1,388)</b>                              | <b>11,674</b>                        | <b>11,274</b>                           | <b>400</b>                                 | <b>3%</b> | <b>136,603</b>                                   | <b>136,203</b>                               | <b>400</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  |
|--|---|
| 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    |   |