

To: Education and Children's Services Policy Board

On: 14 March 2024

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

Heading: Revenue and Capital Budget Monitoring as at 5 January 2024

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2024 for Children's Services is an overspend of £1.888m (0.8%) 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 (2.3%).
- 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	247.347	249.235	(1.888)	(0.8%)

Table 2: Capital

Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children's Services	6.086	5.943	0.143	2.3%

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;

- 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 £1.888m (0.8% 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 £2.858m overspend is anticipated within Children & Families mainly related to external specialised residential accommodation placements. An additional £2m was provided for 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".
- 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. The financial position will be closely monitored and reported as the year progresses. A report on children from Renfrewshire who are cared for outwith their birth family is presented as a later item on the agenda for Board today.
- 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 £0.383m have been processed since the previous report. These adjustments mainly relate to a realignment of non-domestic rates budgets (£0.426m) which was partly offset by transfers to the corporate landlord for property maintenance works (£0.043m).

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 a revised budget in the capital programme for Education and Children's Services of £6.086m.
- 5.3. The projected Capital outturn at 31 March 2024 for Children's Services is an underspend of £0.143m (2.3%). However, the full impact of inflation on capital costs on each project is not yet determined. This current forecast underspend will be reallocated within the Education capital investment programme. 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 no budget changes.

Implications of this report

1. Financial

The projected budget outturn position for Children's Services' Revenue budget is an overspend of £1.888m. 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.

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 2023/24
1 April 2023 to 5 January 2024

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	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	177,081	301	177,382	174,053	3,329	1.9%	2,688	641
Premises Related	8,893	428	9,321	9,829	(508)	(5.5%)	(502)	(6)
Transport Related	4,590	0	4,590	6,328	(1,738)	(37.9%)	(1,646)	(92)
Supplies and Services	31,128	451	31,579	31,758	(179)	(0.6%)	107	(286)
Third Party Payments	15,198	0	15,198	18,449	(3,251)	(21.4%)	(3,467)	216
Transfer Payments	15,605	0	15,605	15,863	(258)	(1.7%)	(132)	(126)
Support Services	64	0	64	64	(0)	(0.6%)	3	(3)
GROSS EXPENDITURE	252,559	1,180	253,739	256,345	(2,606)	(1.0%)	(2,949)	343
Income	(5,595)	(797)	(6,392)	(7,110)	718	11.2%	875	(157)
NET EXPENDITURE	246,964	383	247,347	249,235	(1,888)	(0.8%)	(2,074)	186

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 5 January 2024

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	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	480	0	480	397	83	17.3%	85	(2)
Early learning and childcare	34,510	(11)	34,499	33,095	1,404	4.1%	1,616	(212)
Primary	63,957	202	64,159	63,449	710	1.1%	37	673
Secondary	87,401	58	87,459	87,799	(340)	(0.4%)	(591)	251
ASN (Special) Schools	6,870	44	6,914	6,884	30	0.4%	71	(41)
Additional support for learning (ASL)	16,892	242	17,134	17,934	(800)	(4.7%)	(750)	(50)
Psychological services	836	0	836	936	(100)	(12.0%)	(100)	0
Education development	2,165	(5)	2,160	2,235	(75)	(3.4%)	0	(75)
Attainment Challenge	(818)	0	(818)	(818)	0	0.0%	0	0
Facilities management	604	(11)	593	536	57	9.7%	63	(6)
Children & Families	34,067	(136)	33,931	36,789	(2,858)	(8.4%)	(2,505)	(353)
NET EXPENDITURE	246,964	383	247,347	249,235	(1,888)	(0.8%)	(2,074)	186

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).
Primary Schools	An underspend in Employee Costs is projected in relation to Teachers' Salaries. This reflects the increase in projected Teacher Induction Scheme funding compared to previous assumptions.

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.
Psychological Services	An overspend in Employee Costs is projected in relation to Educational Psychologists. This will be offset by underspends in other divisions.
Children & Families	An overspend in Third Party 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 Third Party Payments projection also includes additional costs (net of associated grant income) resulting from the introduction by the Scottish Government of a national recommended maintenance allowance for foster carers and kinship carers.

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 5th January 2024
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2023 £000	Current Year 2023-24						Full Programme - All years			
		Annual Budget at P8 2023-24 £000	Budget Adjustments 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	
EDUCATION & CHILDREN SERVICES											
Primary Schools Estate Programme(SEMP)	10,421	203	0	203	60	143	70%	10,623	10,480	143	1%
Paisley Grammar New Campus	4,819	1,800	0	1,800	1,800	0	0%	75,100	75,100	0	0%
Thorn PS New Build	13	250	0	250	250	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	23,569	1,407	0	1,407	1,407	0	0%	25,101	25,101	0	0%
Inspiring School Age Childcare Spaces Programme	0	100	0	100	100	0	0%	100	100	0	0%
Technology Replacement Strategy ICT	0	326	0	326	326	0	0%	1,926	1,926	0	0%
TOTAL EDUCATION & CHILDREN'S SERVICES BOARD	38,822	6,086	0	6,086	5,943	143	2%	124,850	124,707	143	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.