

To: Education and Children's Services Policy Board

On: 27 October 2022

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

Heading: Revenue and Capital Budget Monitoring as at 16 September 2022

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2023 for Children's Services is an overspend of £5.434m (2.4%) 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 (0.6%).
- 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	£225.967	£231.401	(£5.434)	(2.4%)

Table 2: Capital

Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children's Services	£15.488	£15.388	£0.100	0.6%

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 £5.434m (2.4% 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 projected outturn is based on available information and assumptions made by service budget holders in September 2022. 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 table showing the objective analysis (which division is spending the budget).
- 3.4. A £4.454m 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.
- 3.5. The service is currently reviewing the detail and purpose of all external placements in order to explore options to mitigate the ongoing cost pressure going forward.
- 3.6. 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 £0.971m have been processed since the last report. These relate mainly to an adjustment reflecting the impact on employer National Insurance costs of the Health and Social Care Levy (£0.655m) and funding for additional support for learning services (£0.190m) in relation to a *Getting it Right for Every Child* lead officer post and summer activity camps.

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 £2.129m in the approved capital programme for Education and Children's Services. This largely relates to budget carried forward from 2021/22 into 2022/23 and new budget awarded by Council on 3 March 2022 from the Strategic Asset Management Fund.
- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 3.

6. Capital Budget Adjustments

- 6.1. There have been no Capital budget adjustments since the last report.

Implications of this report

1. Financial

The projected budget outturn position for Children's Services' Revenue budget is an overspend of £5.434m. 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.

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 2022/23
1 April 2022 to 16 September 2022

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	154,999	933	155,932	155,197	735	0.5%	937	(202)
Premises Related	9,242	(21)	9,221	10,863	(1,642)	(17.8%)	(13)	(1,629)
Transport Related	4,601	(3)	4,598	5,496	(898)	(19.5%)	(707)	(191)
Supplies and Services	35,242	(211)	35,031	34,252	779	2.2%	1	778
Third Party Payments	13,151	48	13,199	17,875	(4,676)	(35.4%)	(4,701)	25
Transfer Payments	14,173	221	14,394	14,650	(256)	(1.8%)	21	(277)
Support Services	42	4	46	38	8	17.6%	(48)	56
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	231,450	971	232,421	238,372	(5,950)	(2.6%)	(4,511)	(1,439)
Income	(6,454)	0	(6,454)	(6,971)	517	8.0%	121	396
NET EXPENDITURE	224,996	971	225,967	231,400	(5,434)	(2.4%)	(4,390)	(1,043)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 16 September 2022

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Directorate	485	1	486	486	0	0.0%	0	0
Early learning and childcare	34,013	43	34,056	32,374	1,682	4.9%	1,235	447
Primary	56,474	305	56,779	57,892	(1,113)	(2.0%)	(134)	(979)
Secondary	78,189	312	78,501	79,236	(735)	(0.9%)	(142)	(593)
ASN (Special) Schools	6,361	36	6,397	6,484	(87)	(1.4%)	95	(182)
Additional support for learning (ASL)	15,295	146	15,441	16,129	(688)	(4.5%)	(416)	(272)
Psychological services	741	3	744	783	(39)	(5.2%)	(45)	6
Education development	1,845	(55)	1,790	1,790	0	0.0%	(17)	17
Attainment Challenge	655	(20)	635	635	0	0.0%	17	(17)
Facilities management	598	0	598	598	0	0.0%	(99)	99
Child care	30,340	200	30,540	34,994	(4,454)	(14.6%)	(4,884)	430
NET EXPENDITURE	224,996	971	225,967	231,401	(5,434)	(2.4%)	(4,390)	(1,044)

Objective Heading	Key Reasons for Projected Variance
Directorate	No significant projected year end variances to report.
Early Learning and Childcare	A projected underspend in Employee Costs is due to vacancies within Early Learning & Childcare Centres, and is partly offset by a projected overspend in Premises Costs, resulting from an expected 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.
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.
ASN Schools	An overspend in Premises Costs is projected. This is due to an expected increase in energy costs.
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.
Education Development	No significant projected year end variances to report.
Facilities Management	No significant projected year end variances to report.
Children & Families	An overspend in Transfer Payments is projected, mainly in relation to Residential Accommodation placements, where the number of complex, expensive packages has increased significantly. The service is currently reviewing all external placements in order to identify their purpose and to explore options for mitigation of cost pressure.

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 16th September 2022
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2022 £000	Current Year 2022-23						Full Programme - All years			
		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	(215)	10,735	10,735	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	2,111	4,120	4,120	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	2,129	15,488	15,388	100	1%	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.
Paisley Grammar New Campus	
Primary Schools Estate Programme(SEMP 2020)	
Other Schools Investment Programmes	
Technology Replacement Strategy ICT	