

To: Education and Children’s Services Policy Board

On: 18 January 2024

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

Heading: Revenue and Capital Budget Monitoring as at 10 November 2023

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2024 for Children’s Services is an overspend of £2.074m (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	246.964	249.038	(2.074)	(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 £2.074m (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 £2.505m 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.
- 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 £1.506m have been processed since the previous report. These adjustments mainly relate to drawdowns from reserves for Attainment Challenge (£0.400m) and Ukrainian pupil support (£1.001m), and to transfers from other services in relation to the Renfrewshire Alcohol & Drugs Commission and Hearty Lives Renfrewshire (£0.115m) offset by budget transfers to other services (£0.050m).

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%). 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 budget changes of (£0.490m). This relates to the reprofiling of spend into 2024/25 for the Paisley Grammar School New Campus project.
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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 £2.073m. 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 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 2023/24
1 April 2023 to 10 November 2023

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	174,639	2,442	177,081	174,392	2,689	1.5%	2,630	59
Premises Related	8,897	(4)	8,893	9,395	(502)	(5.6%)	(478)	(23)
Transport Related	4,590	0	4,590	6,236	(1,646)	(35.9%)	(1,659)	13
Supplies and Services	31,882	(754)	31,128	31,021	107	0.3%	434	(327)
Third Party Payments	15,198	0	15,198	18,665	(3,467)	(22.8%)	(4,012)	546
Transfer Payments	15,567	38	15,605	15,737	(132)	(0.8%)	(400)	268
Support Services	64	0	64	62	3	3.9%	11	(9)
GROSS EXPENDITURE	250,837	1,722	252,559	255,507	(2,948)	(1.2%)	(3,474)	526
Income	(5,379)	(216)	(5,595)	(6,470)	875	15.6%	997	(122)
NET EXPENDITURE	245,458	1,506	246,964	249,038	(2,074)	(0.8%)	(2,477)	404

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 10 November 2023

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Directorate	480	0	480	395	85	17.6%	99	(14)
Early learning and childcare	34,547	(37)	34,510	32,894	1,616	4.7%	1,345	271
Primary	63,785	172	63,957	63,920	37	0.1%	17	20
Secondary	86,780	621	87,401	87,992	(591)	(0.7%)	(546)	(45)
ASN (Special) Schools	7,016	(146)	6,870	6,799	71	1.0%	49	22
Additional support for learning (ASL)	16,254	638	16,892	17,642	(750)	(4.4%)	(750)	(0)
Psychological services	836	0	836	936	(100)	(12.0%)	(60)	(40)
Education development	2,254	(89)	2,165	2,165	0	0.0%	0	0
Attainment Challenge	(1,182)	364	(818)	(818)	0	0.0%	0	0
Facilities management	620	(16)	604	541	63	10.4%	6	57
Children & Families	34,068	(1)	34,067	36,572	(2,505)	(7.4%)	(2,637)	132
NET EXPENDITURE	245,458	1,506	246,964	249,038	(2,074)	(0.8%)	(2,477)	403

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).
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.
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 10th November 2023
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 P6 2023-24 £000	Budget Adjustments £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											
Early Years 1,140 Hours Expansion	0	0	0	0	0	0	0%	0	0	0	0%
Primary Schools Estate Programme(SEMP)	10,421	203	0	203	60	143	70%	10,623	10,481	142	1%
Paisley Grammar New Campus	4,819	2,290	(490)	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	6,576	(490)	6,086	5,943	143	2%	124,850	124,708	142	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.