

To: Education and Children's Services Policy Board

On: 18 March 2021

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

Heading: Revenue and Capital Budget Monitoring as at 8 January 2021

1. Summary of Financial Position

- 1.1 The projected Revenue outturn at 31 March 2021 for Children's Services is a breakeven position. This position is possible through applying flexibility within specific grant funding as permitted by the Scottish Government in order to address the extraordinary costs incurred in response to the Covid19 pandemic. Without this flexibility, an overspend of £0.135m (0.1%) against the revised budget for the year would be forecast as outlined in the detailed tables following in the remainder of this report.
- 1.2 The projected Capital outturn at 31 March 2021 for Children's Services is a breakeven position, against the revised budget for the year. This is summarised over the relevant service in the table below and further analysis is provided in the Appendices.
- 1.3 For the financial year 2020/21, 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 £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Children's Services	£215,001	£212,653	£2,483	£215,136	(£135)	(0.1%)

Table 2: Capital

Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Children's Services	£10,599	£10,599	£0	£10,599	£0	0%

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 considerable fluctuation as the full service implications and associated costs of the pandemic become clear. The service will continue to mitigate as far as possible any overspend and will apply the flexibility within specific grant funding permitted by the Scottish Government in order to achieve a breakeven revenue outturn position.
- 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 £0.135m (0.1% of total budget). 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 8 January 2021. Any changes to these projections will be detailed in future reports to this Board.
- 3.3. The main reasons for the projected outturn position are indicated within the objective analysis at Appendix 2.

4. Revenue Budget Adjustments

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £1.676m have been processed since the budget was approved. These related to transfers to other services, mainly in relation to 1140 hours expansion.

5. Children's Services Capital

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9th March 2020.
- 5.2. The Capital Monitoring report at Appendix 3 indicates changes totalling £0.299m in the approved capital programme for Education and Children's Services since the last report. This relates to additional funding for Early Years 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 £0.299m since the last report:

Budget increase in 2020-21 (£0.260m):

- Early Years 1,140 Expansion (£0.260m) funded by Contribution from Current Revenue (CFCR) for the refurbishment projects at St Anne's, Lochwinnoch, Glenburn and Hollybush.

Budget carried forward from 2020-21 to 2021-22 (£0.559m):

- Other Schools Investment Programmes (£0.359m) for remedial work at Riverbrae now expected to take place in early 2021-22 due to the current restrictions in place for Covid-19;

- 6.2. SEMP 2020 (£0.200m) to reflect a revision in the cash flows for the project..
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Implications of this report

1. Financial

The projected budget outturn position for Children's Services' Revenue budget is breakeven based on use of flexibilities within specific grant funding as permitted by the Scottish Government. In the absence of these flexibilities, an overspend of £0.135m would be projected. Income and expenditure will continue to be monitored closely for the rest of the financial year and steps taken to mitigate any overspend as far as possible.

The projected outturn position for Children's Services' Capital budget is a breakeven position. 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 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES										
Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	154,583	30	154,613	152,532	1,138	153,670	943	0.6%	324	619
Premises Related	9,202	33	9,235	9,544	208	9,752	(517)	(5.6%)	(285)	(232)
Transport Related	4,471	(2)	4,469	4,999	(125)	4,874	(405)	(9.1%)	(466)	61
Supplies and Services	31,792	(1,622)	30,170	29,733	453	30,186	(16)	(0.1%)	(470)	453
Third Party Payments	14,044	0	14,044	13,559	1,186	14,745	(701)	(5.0%)	(623)	(78)
Transfer Payments	13,024	67	13,091	12,753	210	12,963	128	1.0%	121	7
Support Services	204	4	208	265	0	265	(57)	(27.2%)	12	(69)
GROSS EXPENDITURE	227,320	(1,490)	225,830	223,385	3,070	226,455	(625)	(0.3%)	(1,387)	763
Income	(10,643)	(186)	(10,829)	(10,731)	(587)	(11,318)	489	4.5%	(29)	519
NET EXPENDITURE	216,677	(1,676)	215,001	212,653	2,483	215,136	(135)	(0.1%)	(1,416)	1,281

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Directorate	605	0	605	605	0	605	0	0.0%	0	0
Early learning and childcare	34,682	(1,728)	32,954	28,923	553	29,476	3,478	10.6%	2,780	698
Primary	52,371	417	52,788	53,684	1,270	54,954	(2,166)	(4.1%)	(1,944)	(222)
Secondary	75,021	(343)	74,678	75,178	297	75,475	(797)	(1.1%)	(598)	(199)
ASN (Special) Schools	6,252	5	6,257	6,612	3	6,615	(358)	(5.7%)	(344)	(14)
Additional support for learning (ASL)	14,794	(55)	14,739	14,677	(315)	14,362	377	2.6%	(101)	478
Psychological services	730	0	730	756	0	756	(26)	(3.6%)	(55)	29
Education development	1,574	0	1,574	1,526	0	1,526	48	3.0%	25	23
Attainment Challenge	(776)	(33)	(809)	(809)	0	(809)	0	0.0%	0	0
Facilities management	568	(5)	563	665	23	688	(125)	(22.2%)	(125)	0
Child care	30,856	66	30,922	30,836	652	31,488	(566)	(1.8%)	(1,054)	488
NET EXPENDITURE	216,677	(1,676)	215,001	212,653	2,483	215,136	(135)	(0.1%)	(1,416)	1,281

Objective Heading	Key Reasons for Projected Variance
Early Learning and Childcare	Underspend in 1140 expansion programme due to delayed opening of new facilities.
Primary Schools	Primary Overspend in staffing, due to retention of temporary teachers and provision of childcare hubs during lockdown period, additional property costs and PPE costs.
Secondary Schools	Overspend in staffing, due to retention of temporary teachers, additional property costs and PPE costs.
ASN Schools	Overspend mainly due to staffing costs.
Additional Support for Learning	Underspend in staffing costs and day placements.
Psychological Services	Overspend in staffing costs.
Education Development	Underspend in transfer payments, across various projects.
Facilities Management	Overspend in staffing costs due to catchment review and additional Occupational Health costs due to Covid19.
Children & Families	Overspend in Residential Schools due to Covid19 related placement costs, Residential Staffing costs and PPE. The movement is due to anticipated Scottish Government funding to partially offset Covid-19 expenditure.

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 8th January 2021
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2020* £000	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21 £000	Budget Adjustments in 2020-21 £000	Revised Budget 2020-21 £000	Projected Outturn 2020-21 £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-25 £000	Projected Outturn to 31-Mar-25 £000	Budget Variance (Adverse) or Favourable	
EDUCATION & CHILDREN'S SERVICES											
Early Years 1,140 Hours Expansion	2,528	9,175	(89)	9,086	9,086	0	0%	14,777	14,777	0	0%
Primary Schools Estate Programme(SEMP)	41,576	495	565	1,060	1,060	0	0%	42,998	42,924	74	0%
Schools Estate Programme (SEMP 2020)	61	1,317	(1,317)	0	0	0	0%	51,850	51,850	0	0%
Other Schools Investment Programmes	19,793	2,340	(2,287)	53	53	0	0%	22,852	22,552	300	1%
Technology Replacement Strategy ICT	0	400	0	400	400	0	0%	2,000	2,000	0	0%
TOTAL EDUCATION & CHILDREN'S SERVICES BOARD	63,958	13,727	(3,128)	10,599	10,599	0	0%	134,477	134,103	374	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
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	