

To: Education and Children's Services Policy Board

On: 20 May 2021

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

Heading: Revenue and Capital Budget Monitoring as at 5 March 2021

1. Summary of Financial Position

- 1.1 The projected Revenue outturn at 31 March 2021 for Children's Services is an underspend of £0.094m (<0.1%) against the revised budget for the year as outlined in the detailed tables following in the remainder of this report. 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.
- 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	£215,587	£212,862	£2,631	£215,493	£94	<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	£9,947	£9,947	£0	£9,947	£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. The service will continue to 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 underspend of £0.094m (<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 5 March 2021.
- 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 £0.586m have been processed since the last report. These related to a grant received from the Scottish Government for Children and Young Persons' Mental Health and Wellbeing arising from Covid-19 and to transfers from Tackling Poverty programme in relation to Families First.

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 £0.652m 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 £0.652m since the last report:

Budget increase in 2020-21 (£0.625m):

- Early Years 1,140 Expansion (£0.023m) funded by Contribution from Current Revenue (CFCR) for extension at St Catherine's;
- Digital Inclusion (£0.602m) for grant awarded by Scottish Government for ICT equipment to provide access to learning for pupils home schooled during the Covid-19 pandemic.

Budget carried forward from 2020-21 to 2021-22 (£1.342m):

- Early Years 1,140 Expansion (£0.947m) for revised cash flows received for the project;
- SEMP (£0.350m) due to cash flow timings and expected underspends related to the project;
- Other School Investment (£0.046m) due to expected underspend within the John Ogilvie extension project.

Budget brought forward from 2021-22 to 2020-21 (£0.065m):

- SEMP 2020 (£0.065m) for costs related to the site of the new build campus

Implications of this report

1. Financial

The projected budget outturn position for Children's Services' Revenue budget is an underspend of £0.094m, or breakeven based on use of flexibilities within specific grant funding as permitted by the Scottish Government Income and expenditure will continue to be monitored closely for the rest of the financial year.

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 to 5th March 2021

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	Revised Annual Budget at Period 10	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	154,613	3,513	158,126	155,494	1,383	156,877	1,249	0.8%	943	306
Premises Related	9,235	77	9,312	9,869	245	10,114	(802)	(8.6%)	(517)	(285)
Transport Related	4,469	(3)	4,466	5,004	(125)	4,879	(413)	(9.2%)	(405)	(8)
Supplies and Services	30,170	(4,191)	25,979	25,558	443	26,001	(22)	(0.1%)	(16)	(6)
Third Party Payments	14,044	286	14,330	13,919	1,063	14,982	(652)	(4.5%)	(701)	49
Transfer Payments	13,091	706	13,797	13,426	210	13,636	161	1.2%	128	33
Support Services	208	(7)	201	205	0	205	(4)	(2.0%)	(57)	53
Depreciation and Impairment Losses	0	293	293			0	293	100.0%	0	293
GROSS EXPENDITURE	225,830	674	226,504	223,475	3,219	226,694	(190)	(0.1%)	(625)	435
Income	(10,829)	(88)	(10,917)	(10,613)	(588)	(11,201)	284	2.6%	489	(205)
NET EXPENDITURE	215,001	586	215,587	212,862	2,631	215,493	94	0.0%	(134)	229

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April to 5th March 2021

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Revised Annual Budget at Period 10	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	(1)	604	604	0	604	0	0.0%	0	0
Early learning and childcare	32,954	274	33,228	29,197	553	29,750	3,478	10.5%	3,478	0
Primary	52,788	441	53,229	54,159	1,309	55,468	(2,239)	(4.2%)	(2,166)	(74)
Secondary	74,678	(433)	74,245	74,884	330	75,214	(969)	(1.3%)	(797)	(171)
ASN (Special) Schools	6,257	1	6,258	6,393	3	6,396	(138)	(2.2%)	(358)	220
Additional support for learning (ASL)	14,739	(1)	14,738	14,469	(338)	14,131	607	4.1%	377	230
Psychological services	730	8	738	760	0	760	(22)	(3.0%)	(26)	4
Education development	1,574	(13)	1,561	1,506	0	1,506	55	3.5%	48	7
Attainment Challenge	(809)	(6)	(815)	(815)	0	(815)	0	0.0%	0	0
Facilities management	563	(26)	537	639	23	662	(125)	(23.3%)	(125)	0
Child care	30,922	342	31,264	31,066	751	31,817	(553)	(1.8%)	(566)	13
NET EXPENDITURE	215,001	586	215,587	212,862	2,631	215,493	94	0.0%	(135)	229

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, offset by grant from Scottish Government for recruitment of additional teachers.
Secondary Schools	Overspend in staffing, due to retention of temporary teachers, additional property costs and PPE costs, , offset by grant from Scottish Government for recruitment of additional teachers.
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 5th March 2021
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2020*	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21	Budget Adjustments in 2020-21	Revised Budget 2020-21	Projected Outturn 2020-21	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-25	Projected Outturn to 31-Mar-25	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000			£000	£000		
EDUCATION & CHILDREN'S SERVICES											
Early Years 1,140 Hours Expansion	2,528	9,175	(1,013)	8,162	8,162	0	0%	14,800	14,800	0	0%
Primary Schools Estate Programme(SEMP)	41,576	495	215	710	710	0	0%	42,998	42,898	100	0%
Schools Estate Programme (SEMP 2020)	61	1,317	(1,252)	65	65	0	0%	51,850	51,850	0	0%
Other Schools Investment Programmes	19,793	2,340	(2,333)	7	7	0	0%	22,852	22,552	300	1%
Digital Inclusion	0	0	603	603	603	0	0%	603	603	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	63,958	13,727	(3,780)	9,947	9,947	0	0%	135,103	134,703	400	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	