

**To: Education and Children’s Services Policy Board**

**On: 29 October 2020**

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

**Heading: Revenue and Capital Budget Monitoring as at 18 September 2020**

## 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 £1.848m (0.9%) 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 an underspend of £0.1m (1%), 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	£216,611	£216,073	£2,386	<b>£218,459</b>	(£1,848)	(0.9%)

**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	£10,898	£10,798	£0	<b>£10,798</b>	£100	1%

## **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 £1.848m (0.9% 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 18 September 2020. 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 £0.015m have been processed since the budget was approved. These related mainly to:
  - £0.236m for transfers to other services
  - £0.221m funding from Scottish Government mainly for Modern Languages and Pupil Equity Fund

## **5. Children's Services Capital**

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9<sup>th</sup> March 2020.

- 5.2. The Capital Monitoring report at Appendix 3 indicates movement in the approved capital programme for Education and Children's Services since the last report of £0.746m. Details are shown in paragraph 6.1 below.
- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 3.

## **6. Capital Budget Adjustments**

- 6.1. Since the last report, budget changes in totalling £0.746m have arisen which reflect the following:

Budget Transfer in 2020-21 (£0.827m):

- Early Years 1,140 Expansion (£0.827m) transfer from Lifecycle Capital Maintenance as a contribution towards Lifecycle work incorporated into the Extension and Refurbishment projects, primarily Kilbarchan Extension and Hollybush Refurbishment.

Budget Increase in 2020-21 (£0.013m):

- Early Years 1,140 Expansion (£0.013m) reflecting a CFCR contribution from Children Services for additional work at Kilbarchan Extension.

Budget carried forward from 2020-21 to 2021-22 (£0.094m).

- Other Schools Investment Programmes (£0.094m) to reflect expected cash flow timings of Bishopton Primary School Refurbishment.

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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 £1.848m 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 an underspend of £0.1m. 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.

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**List of Background Papers: None**

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**27th June 2020 to 18th September 2020**

**POLICY BOARD : EDUCATION & CHILDREN'S SERVICES**

Subjective Summary	Approved	Budget	Revised	Projected	Projected	Total	Budget Variance		Previous	Movement
	Annual Budget	Adjustments	Annual Budget	Outturn Core Business	Outturn COVID-19	Projected Outturn	(Adverse) or Favourable		Projected Outturn	
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	148,570	1,283	149,853	149,531	759	150,290	(437)	(0.3%)	149,428	862
Premises Related	9,204	(6)	9,198	9,368	38	9,406	(208)	(2.3%)	9,380	26
Transport Related	4,473	(2)	4,471	5,101	(125)	4,976	(505)	(11.3%)	5,037	(61)
Supplies and Services	35,394	(630)	34,764	34,837	419	35,256	(492)	(1.4%)	35,739	(483)
Third Party Payments	14,344	(300)	14,044	13,340	1,064	14,404	(360)	(2.6%)	14,572	(168)
Transfer Payments	11,626	929	12,555	12,111	230	12,341	214	1.7%	11,260	1,081
Support Services	182	22	204	214	0	214	(10)	(4.9%)	204	10
Depreciation and Impairment Losses	0	0	0			0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>223,793</b>	<b>1,296</b>	<b>225,089</b>	<b>224,502</b>	<b>2,386</b>	<b>226,888</b>	<b>(1,799)</b>	<b>(0.8%)</b>	<b>225,621</b>	<b>1,267</b>
Income	(7,167)	(1,311)	(8,478)	(8,429)	0	(8,429)	(49)	(0.6%)	(6,950)	(1,479)
<b>NET EXPENDITURE</b>	<b>216,626</b>	<b>(15)</b>	<b>216,611</b>	<b>216,073</b>	<b>2,386</b>	<b>218,459</b>	<b>(1,848)</b>	<b>(0.9%)</b>	<b>218,671</b>	<b>(212)</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**27th June 2020 to 18th September 2020**

**POLICY BOARD : EDUCATION & CHILDREN'S SERVICES**

Objective Summary	Revised Annual Budget (Previously Reported)	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Directorate	639	(34)	605	605	0	605	0	0.0%	639	(34)
Early learning and childcare	35,259	(683)	34,576	31,968	503	32,471	2,105	6.1%	33,432	(961)
Primary	52,919	450	53,369	54,577	721	55,298	(1,929)	(3.6%)	54,588	709
Secondary	73,346	640	73,986	74,459	215	74,674	(688)	(0.9%)	73,995	679
ASN (Special) Schools	6,195	15	6,210	6,485	3	6,488	(278)	(4.5%)	6,472	16
Additional support for learning (ASL)	14,523	323	14,846	15,238	(233)	15,005	(159)	(1.1%)	14,730	275
Psychological services	730	0	730	787	0	787	(57)	(7.8%)	787	0
Education development	1,597	33	1,630	1,630	0	1,630	0	0.0%	1,597	33
Attainment Challenge	0	(776)	(776)	(776)	0	(776)	0	0.0%	0	(776)
Facilities management	582	(3)	579	634	10	644	(65)	(11.2%)	627	17
Child care	30,836	20	30,856	30,466	1,167	31,633	(777)	(2.5%)	31,803	(170)
<b>NET EXPENDITURE</b>	<b>216,626</b>	<b>(15)</b>	<b>216,611</b>	<b>216,073</b>	<b>2,386</b>	<b>218,459</b>	<b>(1,848)</b>	<b>(0.9%)</b>	<b>218,671</b>	<b>(212)</b>

Objective Heading	Key Reasons for Projected Variance
Early Learning and Childcare	Underspend in 1140 expansion programme due to delays in recruiting staff, as a result of Covid19
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	Overspend anticipated in transport costs for remainder of year, partially offset by transport savings from April to June.
Psychological Services	Overspend in staffing costs
Facilities Management	Overspend in staffing costs due to catchment review
Children & Families	Overspend in Residential Schools due to Covid19 related placement costs, Residential Staffing costs and PPE

RENFREWSHIRE COUNCIL  
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES  
1st April to 18th September 2020  
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	
<b>EDUCATION &amp; CHILDREN'S SERVICES</b>											
Early Years 1,140 Hours Expansion	2,528	9,175	(349)	8,826	8,826	0	0%	14,517	14,517	0	0%
Primary Schools Estate Programme(SEMP)	41,576	495	565	1,060	1,060	0	0%	42,933	42,859	74	0%
Schools Estate Programme (SEMP 2020)	61	1,317	(1,117)	200	200	0	0%	51,850	51,850	0	0%
Other Schools Investment Programmes	19,793	2,340	(1,928)	412	312	100	24%	22,917	22,817	100	0%
Technology Replacement Strategy ICT	0	400	0	400	400	0	0%	2,000	2,000	0	0%
<b>TOTAL EDUCATION &amp; CHILDREN'S SERVICES BOARD</b>	<b>63,958</b>	<b>13,727</b>	<b>(2,829)</b>	<b>10,898</b>	<b>10,798</b>	<b>100</b>	<b>1%</b>	<b>134,217</b>	<b>134,043</b>	<b>174</b>	<b>0%</b>

\*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)	Net underspend a result of underspends on St Fergus and St Pauls projects.
Schools Estate Programme (SEMP 2020)	
Other Schools Investment Programmes	Underspend after expected work at Riverbrae completed during 2020-21
Technology Replacement Strategy ICT	