

To: Education and Children's Services Policy Board

On: 20 August 2020

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

Heading: Revenue and Capital Budget Monitoring as at 26 June 2020

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2021 for Children's Services is an overspend of £2.045m (0.9%) against the revised budget for the year. This forecast is based on a resumption of schooling on a full time basis from 11 August.
- 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.
- 1.3. This is summarised over the relevant service in the table below and further analysis is provided in the Appendices.
- 1.4. 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	£216,626	£216,883	£1,788	£218,671	(£2,045)	(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	£10,152	£10,052	£0	£10,052	£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;
- 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 £2.045m (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 the end of June 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 £14.918m have been processed since the budget was approved. These related mainly to:
 - £0.454m for transfers between services
 - £11.537m for the 1140hours expansion programme funding from the Scottish Government
 - £3.835m for the increase in employers' teacher pension contributions.

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. For Children's Services the approved capital spend for 2020/21 is £13.727m.
- 5.2. The Capital Monitoring report at Appendix 3 indicates an adjustment in the approved capital programme for Education and Children's and Services for the year of £3.575m. This mainly arises in the Early Years 1,140 expansion, SEMP and Other Schools Investment, owing to expenditure brought forward

to 2019-20 for Early Years Expansion and delays in construction due to the COVID-19 pandemic.

- 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 £3.575m have arisen which reflect the following:

- Budget brought forward to 2019-20 from 2020-21 (£2.004m):
 - Early Years 1,140 Expansion (£1.189m) for construction work carried out in February and March 2020 on the new builds;
 - Other School Investment Programmes (£0.815m) due to timing of final contractor payments for Riverbrae.
- Budget carried forward to 2020-21 from 2019-20 due to cashflow timings (£0.876m):
 - Primary School Estate Programme SEMP (£0.862m);
 - Schools Estate Programme: SEMP 2020 (£0.014m).
- Budget carried forward from 2020-21 to 2021-22 for updated estimates as a result of delays to construction as a result of the Covid-19 pandemic (£2.447m).
 - Primary School Estate Programme SEMP (£0.297m) for start date of external work at St Anthony's;
 - Schools Estate Programme: SEMP 2020 (£1.131m) due to delay in expected start date of the project(s);
 - Other Schools Investment Programmes (£1.019m) for timing over start date of refurbishment and extension at Bishopton and Kirklandneuk Primary Schools.

Implications of this report

1. **Financial** – The projected budget outturn position for Children's Services' Revenue budget is an overspend of £2.045m. 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 £0.1m. 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.

List of Background Papers: None

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 26th June 2020

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Employees	135,075	13,495	148,570	148,673	755	149,428	(858)	(0.6%)
Premises Related	9,150	54	9,204	9,370	10	9,380	(176)	(1.9%)
Transport Related	4,473	0	4,473	5,162	(125)	5,037	(564)	(12.6%)
Supplies and Services	32,498	2,896	35,394	35,402	337	35,739	(345)	(1.0%)
Third Party Payments	14,194	150	14,344	13,942	630	14,572	(228)	(1.6%)
Transfer Payments	7,885	3,741	11,626	11,080	180	11,260	366	3.1%
Support Services	182	0	182	204	0	204	(22)	(12.1%)
Depreciation and Impairment Losses	0	0	0			0	0	0.0%
GROSS EXPENDITURE	203,457	20,336	223,793	223,833	1,788	225,621	(1,828)	(0.8%)
Income	(1,749)	(5,418)	(7,167)	(6,950)	0	(6,950)	(217)	(3.0%)
NET EXPENDITURE	201,708	14,918	216,626	216,883	1,788	218,671	(2,045)	(0.9%)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 26th June 2020

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Directorate	402	237	639	639	0	639	0	0.0%
Early learning and childcare	24,208	11,051	35,259	32,929	503	33,432	1,827	5.2%
Primary	51,254	1,665	52,919	53,941	647	54,588	(1,669)	(3.2%)
Secondary	71,687	1,660	73,347	73,791	204	73,995	(648)	(0.9%)
ASN (Special) Schools	6,013	182	6,195	6,469	3	6,472	(277)	(4.5%)
Additional support for learning (ASL)	14,334	189	14,523	15,003	(273)	14,730	(207)	(1.4%)
Psychological services	710	20	730	787	0	787	(57)	(7.8%)
Education development	1,614	(28)	1,586	1,597	0	1,597	(11)	(0.7%)
Attainment Challenge	10	0	10	0	0	0	10	100.0%
Facilities management	594	(12)	582	617	10	627	(45)	(7.7%)
Child care	30,882	(46)	30,836	31,110	693	31,803	(967)	(3.1%)
NET EXPENDITURE	201,708	14,918	216,626	216,883	1,788	218,671	(2,045)	(0.9%)

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 and additional property costs
Secondary Schools	Overspend in staffing, due to retention of temporary teachers and additional property 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 mainly in Residential Schools due to placement costs being greater than budgeted and Residential Accommodation staffing costs.

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 26th June 2020
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 SERVICES											
Early Years 1,140 Hours Expansion	2,528	9,175	(1,189)	7,986	7,986	0	0%	13,677	13,677	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%	27,000	27,000	0	0%
Other Schools Investment Programmes	19,793	2,340	(1,834)	506	406	100	20%	22,917	22,817	100	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	(3,575)	10,152	10,052	100	1%	108,527	108,353	174	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	Completion dates for new builds and extensions have been delayed from summer 2020 as a result of Covid -19 but are still expected to be completed in 2020-21. No variance currently projected but ongoing discussions with external partners over the impact of Covid-19 could lead to a revision of the projected out turn.
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	