

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

**On: 21 January 2021**

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

**Heading: Revenue and Capital Budget Monitoring as at 13 November 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 £1.416m (0.7%) 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	£216,677	£215,113	£2,980	<b>£218,083</b>	(£1,416)	(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 £1.416m (0.7% 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 13 November 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 £0.066m have been processed since the budget was approved. These related to transfers from other services.

## **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 no movement in the approved capital programme for Education and Children's Services since the last report.
- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 3.

## **6. Capital Budget Adjustments**

6.1. There have been no budget changes since the last report.

---

### **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 £1.416m 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.

---

**List of Background Papers: None**

---

**Authors:** George McLachlan, Extension 6133  
Kevin Festorazzi, Extension 4885

RENFREWSHIRE COUNCIL  
REVENUE BUDGET MONITORING STATEMENT 2020/21  
1st April 2020 to 13th November 2020

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES										
Subjective Summary	Revised Annual Budget at Period 6	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	149,853	4,730	154,583	153,116	1,143	154,259	324	0.2%	(437)	761
Premises Related	9,198	4	9,202	9,475	11	9,487	(285)	(3.1%)	(208)	(76)
Transport Related	4,471	0	4,471	5,062	(125)	4,937	(466)	(10.4%)	(505)	39
Supplies and Services	34,764	(2,972)	31,792	31,833	429	32,262	(470)	(1.5%)	(492)	23
Third Party Payments	14,044	0	14,044	13,425	1,242	14,667	(623)	(4.4%)	(360)	(263)
Transfer Payments	12,555	469	13,024	12,673	230	12,903	121	0.9%	214	(93)
Support Services	204	0	204	192	0	192	12	5.9%	(10)	22
Depreciation and Impairment Losses	0	0	0			0	0	0.0%	0	0
GROSS EXPENDITURE	225,089	2,231	227,320	225,777	2,930	228,707	(1,387)	(0.6%)	(1,799)	411
Income	(8,478)	(2,165)	(10,643)	(10,664)	50	(10,614)	(29)	(0.3%)	(49)	20
NET EXPENDITURE	216,611	66	216,677	215,113	2,980	218,093	(1,416)	(0.7%)	(1,848)	431

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April 2020 to 13th November 2020**

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

Objective Summary	Revised Annual Budget at Period 6	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	34,576	106	34,682	31,349	553	31,902	2,780	8.0%	2,105	675
Primary	53,369	(998)	52,371	53,248	1,067	54,315	(1,944)	(3.7%)	(1,929)	(16)
Secondary	73,986	1,035	75,021	75,387	232	75,619	(598)	(0.8%)	(688)	90
ASN (Special) Schools	6,210	42	6,252	6,593	3	6,596	(344)	(5.5%)	(278)	(66)
Additional support for learning (ASL)	14,846	(52)	14,794	15,138	(243)	14,895	(101)	(0.7%)	(159)	58
Psychological services	730	0	730	785	0	785	(55)	(7.5%)	(57)	2
Education development	1,630	(56)	1,574	1,549	0	1,549	25	1.6%	0	25
Attainment Challenge	(776)	0	(776)	(776)	0	(776)	0	0.0%	0	0
Facilities management	579	(11)	568	670	23	693	(125)	(22.0%)	(65)	(60)
Child care	30,856	0	30,856	30,565	1,345	31,910	(1,054)	(3.4%)	(777)	(277)
<b>NET EXPENDITURE</b>	<b>216,611</b>	<b>66</b>	<b>216,677</b>	<b>215,113</b>	<b>2,980</b>	<b>218,093</b>	<b>(1,416)</b>	<b>(0.7%)</b>	<b>(1,848)</b>	<b>431</b>

Objective Heading	Key Reasons for Projected Variance
Early Learning and Childcare	Underspend in 1140 expansion programme due to delays in recruiting staff, partly due to delayed opening of new facilities 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 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.

**RENFREWSHIRE COUNCIL**  
**CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES**  
**1st April to 13th November 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		
<b>EDUCATION &amp; CHILDREN 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)	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	