

To: Education and Children’s Services Policy Board

On: 16 January 2025

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

Heading: Revenue and Capital Budget Monitoring as at 8 November 2024

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2025 for Children’s Services is an overspend of £0.901m (0.3%) against the revised budget for the year.
- 1.2. The projected Capital outturn at 31 March 2025 for Children’s Services is a break-even position.
- 1.3. This is summarised in the table below and further analysis is provided in the Appendices.

Table 1: Revenue				
Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children’s Services	257.585	258.486	(0.901)	(0.3%)

Table 2: Capital				
Division	Revised Annual Budget £m	Projected Outturn £m	Budget Variance £m	Budget Variance %
Children’s Services	30.286	30.286	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;
- 2.2. Note the projected Capital outturn position for Children’s Services detailed in Table 2 above; and
- 2.3. Note the budget adjustments detailed in sections 6 and 7.

3. Children's Services Revenue Budget Projection - overspend of £0.901m by 31 March 2025

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £0.901m (0.3% of total budget).
- 3.2. It should be noted that the projected outturn position reported here is based on the latest information available, which is subject to change during the financial year. The impact of any change on this projection will be updated at each board cycle until the close of reporting Period 10. Budget holders are obliged to seek mitigating action to minimise significant budget variances.

4. Objective Analysis - Significant Variances

4.1. Early Learning & Childcare - £0.551m underspend

Employee costs are currently projected to underspend, mainly due to vacancies. This is under review with management.

4.2. Primary Schools - £1.833m underspend

Employee costs are currently projected to underspend and this is partly offset by projected overspends in Premises costs and Transport costs. The projected underspend in Employee costs arises mainly within teachers' salaries. The Premises costs overspend is largely due to increased refuse collection costs and demand for janitorial supplies, and the Transport costs overspend is due to the SPT school transport contract being greater than available budget.

4.3. Secondary Schools - £0.734m overspend

Employee costs, Premises costs and Transport costs are currently projected to overspend. The overspend in Employee costs mainly arises within teachers' salaries, the overspend in Premises costs is mainly due to refuse collection costs, and the Transport costs overspend is due to the SPT school transport contract being greater than available budget.

4.4. ASN Schools - £0.490m overspend

Employee costs are currently projected to overspend, mainly arising within teachers' salaries. This is due to historic budget levels not keeping pace with increasing pressure on ASN School provision and this will be kept under review.

4.5. Additional Support for Learning - £0.623m overspend

Employee costs and Transport costs are currently projected to overspend. The overspend in Employee costs mainly arises due to an increase in demand for Additional Support Needs Assistants (ASNAs) within mainstream schools. The Transport costs overspend is due to the cost of ASN transport contracts being higher than available budget.

4.6. Facilities Management - £0.082m underspend

Premises costs and Supplies and Services are projected to underspend and are partly offset by a small projected overspend in Employee costs. The

Premises costs underspend may reduce during the year, as more of this budget is committed to small property repairs across the school estate.

4.7. Children & Families - £1.501m overspend

Supplies and services, Third Party payments and Transfer payments are currently projected to overspend, partly offset by an underspend in Employee costs due to staffing turnover. The Supplies and Services projected overspend mainly relates to demand for both Care at Home for children with additional support needs, and payments to care leavers. The overspend in Third Party payments relates mainly to Fostering and Adoption services. The overspend in Transfer payments relates to Section 22 payments across localities. These areas will be kept under review.

5. Subjective Analysis - Significant Variances

5.1. Employees - £1.197m underspend

A projected underspend in Primary teaching staffing is partly offset by projected overspends in Secondary and ASN teaching staffing. Projected underspends in non-teaching staffing in Children & Families and Early Learning & Childcare, arising mainly from staff turnover, are partly offset by an overspend in Additional Support for Learning due to the demand for Additional Support Needs Assistants (ASNAs).

5.2. Premises Related - £0.289m overspend

The overspend in Premises costs is mainly due to increased janitorial costs and refuse collection costs across the school estate.

5.3. Transport Related - £0.291m overspend

The overspend in Transport costs is due to SPT contracts for both mainstream school transport and ASN transport being higher than available budget.

5.4. Supplies & Services £0.762m overspend

The overspend in Supplies & Services relates mainly to payments to care leavers and increased demand for Care at Home services for children with additional support needs.

5.5. Third Party Payments - £0.606m overspend

The projected overspend in Third Party payments relates to Fostering and Adoption fees, following the implementation of the national rate for fostering allowances, and services related to Children with Disability, related to projected placement costs.

5.6. Transfer Payments - £0.803m overspend

The projected overspend in Transfer payments relates mainly to Children & Families, in particular Direct Payments and Section 22 payments.

5.7. Income - £0.642m over-recovery

A projected over-recovery of income is currently projected in Children & Families in relation to charges to other divisions of the service not reported to this Board.

6. Revenue Budget Adjustments

6.1. Under the Council's financial regulations, Directors and their nominated officers, in consultation with the Director of Finance and Resources, have certain delegated authority to transfer sums between subjective budget headings within a service division to enable budget management throughout the financial year. This is known as 'budget virement'.

6.2. Transfers between divisions of the same service / department in excess of £100,000, and transfers between services / departments must be authorised by the respective service Director and the Director of Finance and Resources for submission to the relevant policy board for approval.

6.3. The Director now seeks homologation from the Board for the following affected virements since the last report:

Revenue Budget Adjustments			
Objective Heading	Subjective Heading	Amount (£m)	Reason
Children's Services	Premises Related	(0.067)	Corporate Landlord transfers relating to small repair projects
Environment, Housing & Infrastructure	Premises Related	0.067	Corporate Landlord transfers relating to small repair projects

6.4. The following budget adjustment is in line with the earmarking of funds set aside in previous years, and is therefore for noting only:

Revenue Budget Adjustments			
Objective Heading	Subjective Heading	Amount (£m)	Reason
Children's Services	Various	0.955	Use of service reserves, including £0.935m drawdown of Whole Family Wellbeing Funding to match latest estimates of projected expenditure

7. Capital Budget Projection - break even position by 31 March 2025

7.1. The Capital Investment Programme 2024/25 to 2028/29 was approved by the Council on 29 February 2024. Education and Children's Services revised Capital spend for 2024/25 is £30.286m.

- 7.2. The in-year Capital budget is forecast to break-even by 31 March 2025, however, this will be monitored as the projects progress. Further details of the programme can be found in the Capital Monitoring report at Appendix 3.
- 7.3. A number of budget adjustments have taken place between years to reflect revised programming of some capital projects. Details of the adjustments made since the previous Board report, which amount to £1.337m, are as follows:

Capital Budget Adjustments		
Project	Amount (£m)	Reason
Thorn Primary School (new build)	(0.850)	Budget decelerated into 2025/26
Second Dargavel Primary School (new build)	(0.575)	Budget decelerated into 2025/26
Early Learning & Childcare adaptations	0.088	Budget increase for required work funded by Current Revenue and by contributions from the Lifecycle Capital Maintenance fund
Total	(1.337)	

Implications of this report

1. Financial

The projected budget outturn position for Children's Services' Revenue budget is an overspend of £0.901m. Income and expenditure will continue to be monitored closely for the rest of the financial year and steps will be taken to mitigate any overspend, including virement, applying flexibility within specific grant funding as permitted by the Scottish Government, and potential use of earmarked reserves.

The projected outturn position for Children's Services' Capital budget is a break-even position, after the adjustments set out at section 7.3. The Capital programme will continue to be monitored closely for the rest of the financial year.

2. HR and Organisational Development

While staffing budgets form a significant proportion of the Council's revenue budgets, there are no direct implications arising from the recommendations in this report.

3. Community/Council Planning

Community Plan	
Our Renfrewshire is thriving	The Council's revenue and capital spend ensures that its facilities are fit for purpose and safe for the community, to maximise accessibility.
Our Renfrewshire is well	
Our Renfrewshire is fair	
Our Renfrewshire is safe	
Council Plan	
Reshaping our place, our economy and our future	The Council's revenue and capital spend ensures that its facilities are fit for purpose and safe for the community, to maximise accessibility.
Building strong, safe and resilient communities	
Tackling inequality, ensuring opportunities for all	
Creating a sustainable Renfrewshire for all to enjoy	Ongoing revenue and capital budget monitoring is a tool to enable good financial management so that the Council has resources now and in the future for continued service delivery.
Working together to improve outcomes	

4. Legal

There are no direct implications arising from the recommendations in this report.

5. Property/Assets

The capital expenditure noted in this report will result in lifecycle maintenance improvements to existing properties and replacement of ICT assets and infrastructure.

6. Information Technology

While ICT assets and revenue costs are included within these reported budgets, there are no direct implications arising from the recommendations in this report.

7. Equality and Human Rights

While new areas of spend may impact on particular groups, any such impact would be assessed prior to the spend being incurred, therefore there are no direct implications arising from the recommendations in this report.

8. Health and Safety

The capital expenditure noted in this report will result in lifecycle maintenance improvements to existing properties and replacement of ICT assets, which may in some cases rectify health and safety issues.

9. Procurement

While Procurement is an important consideration prior to the Council incurring any revenue or capital spend, there are no direct implications arising from the recommendations in 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

There are no direct implications arising from the recommendations in this report.

12. Children's Rights

There are no direct implications arising from the recommendations in this report.

13. Climate Risk

The Council aims to reduce its carbon and other emissions to net zero by 2030, however there are no direct implications arising from the recommendations in this report.

14. CoSLA Policy Position

n/a

List of Background Papers:

- Revenue Budget and Council Tax 2024/25, Council 29 February 2024
- Capital Investment Programme 2023/24 to 2027/28, Council 29 February 2024

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2024/25
1 April 2024 to 8 November 2024

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Subjective Summary	Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	179,256	876	180,132	178,935	1,197	0.7%	1,267	(70)
Premises Related	9,488	(388)	9,100	9,389	(289)	(3.2%)	(319)	30
Transport Related	5,997	502	6,499	6,790	(291)	(4.5%)	(750)	459
Supplies and Services	31,791	(237)	31,554	32,316	(762)	(2.4%)	44	(806)
Third Party Payments	18,918	0	18,918	19,524	(606)	(3.2%)	(743)	137
Transfer Payments	15,904	528	16,432	17,235	(803)	(4.9%)	(926)	123
Support Services	941	0	941	930	11	1.2%	16	(5)
GROSS EXPENDITURE	262,295	1,281	263,576	265,119	(1,543)	(0.6%)	(1,411)	(132)
Income	(5,299)	(692)	(5,991)	(6,633)	642	10.7%	752	(110)
NET EXPENDITURE	256,996	589	257,585	258,486	(901)	(0.3%)	(659)	(242)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2024/25
1 April 2024 to 8 November 2024

POLICY BOARD : EDUCATION & CHILDREN'S SERVICES

Objective Summary	Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Directorate	1,284	0	1,284	1,303	(19)	(1.5%)	(8)	(11)
Early learning and childcare	33,748	(89)	33,659	33,108	551	1.6%	819	(268)
Primary	65,126	350	65,476	63,643	1,833	2.8%	1,729	104
Secondary	90,625	(183)	90,442	91,176	(734)	(0.8%)	(677)	(57)
ASN Schools	7,302	0	7,302	7,792	(490)	(6.7%)	(481)	(9)
Additional support for learning (ASL)	17,712	252	17,964	18,587	(623)	(3.5%)	(900)	277
Psychological services	1,280	0	1,280	1,280	0	0.0%	0	0
Education development	2,458	(1)	2,457	2,457	0	0.0%	0	0
Attainment Challenge	(484)	(316)	(800)	(800)	0	0.0%	0	0
Facilities management	546	(18)	528	446	82	15.5%	108	(26)
Children & Families	37,399	594	37,993	39,494	(1,501)	(4.0%)	(1,249)	(252)
NET EXPENDITURE	256,996	589	257,585	258,486	(901)	(0.3%)	(659)	(242)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 8th November 2024
POLICY BOARD: EDUCATION & CHILDREN'S SERVICES

Project Title	Prior Years Expenditure to 31/03/2024 £000	Current Year 2024-25					Full Programme - All years				
		Approved Budget 2024-25 £000	Budget Adjustments since previous Board report £000	Revised Budget 2024-25 £000	Projected Outturn 2024-25 £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-29 £000	Projected Outturn to 31-Mar-29 £000	Budget Variance (Adverse) or Favourable	
EDUCATION & CHILDREN SERVICES											
Primary Schools Estate Programme(SEMP)	10,422	202	0	202	202	0	0%	10,623	10,623	0	0%
Paisley Grammar New Campus	6,707	27,138	0	27,138	27,138	0	0%	85,600	85,600	0	0%
Thorn PS New Build	79	1,000	(850)	150	150	0	0%	14,000	14,000	0	0%
Dargavel Extension (Modular Units)	2,133	117	0	117	117	0	0%	2,250	2,250	0	0%
DPS2 New Build	0	1,000	(575)	425	425	0	0%	45,000	45,000	0	0%
Other Schools Investment Programmes	0	213	0	213	213	0	0%	213	213	0	0%
Total Schools Estate (inc Early Years) Programme	1,553	302	0	302	302	0	0%	1,855	1,855	0	0%
PMHS Extension	0	1,000	0	1,000	1,000	0	0%	37,000	37,000	0	0%
ELCC Improvements	0	0	88	88	88	0	0%	88	88	0	0%
Technology Replacement Strategy ICT	0	651	0	651	651	0	0%	1,851	1,851	0	0%
TOTAL EDUCATION & CHILDREN'S SERVICES BOARD	20,894	31,623	(1,337)	30,286	30,286	0	0%	198,480	198,480	0	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.