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**REPORT TO: CHILDREN AND YOUNG PEOPLE'S SERVICES COMMITTEE ON  
4 MARCH 2020**

**SUBJECT: EDUCATION AND CHILDREN AND FAMILIES REVENUE  
BUDGET MONITORING TO 31 DECEMBER 2019**

**BY: DEPUTE CHIEF EXECUTIVE (EDUCATION, COMMUNITIES AND  
ORGANISATIONAL DEVELOPMENT)**

**1. REASON FOR REPORT**

- 1.1 To inform the Children and Young People's Services Committee of the budget position for Education and Children and Families Services as at 31 December 2019.
- 1.2 This report is submitted to Council in terms of Section III (A) 2 of the Council's Scheme of Administration relating to the consideration of capital and revenue budgets and long term financial plans.

**2. RECOMMENDATION**

- 2.1 It is recommended that Committee scrutinises and notes the budget position at 31 December 2019.**

**3. BACKGROUND**

- 3.1 The report highlights those areas of the budget where there is a significant percentage variance identified at 31 December 2019.

**4. BUDGET POSITION**

- 4.1 The spend at 31 December 2019 is £72,610,000 against a budget to date of £73,404,000, giving an underspend of £794,000 as shown in **Appendix 1**.
- 4.2 The main variance in primary schools and secondary schools relates to devolved school budgets comprising of £194,000 in primary schools and £584,000 in secondary schools.
- 4.3 Lifelong Learning, Culture and Sport has an overspend of £24,000. The main variances are a £12,000 overspend on the Public Private Partnership contract due to a reduction of income from contract deductions, non achievement of Libraries income £33,000. The overspend is reduced by an underspend on school repairs and maintenance of £19,000.

- 4.4 The main variance in Education Central Services is a £259,000 overspend in central supply due to maternity leave and long term sickness cover. This is reduced by an underspend of £49,000 on the facilitating school improvement budget.
- 4.5 Integrated Children's Services has an underspend of £274,000. This is mainly due to underspends of £29,000 on the area teams operational budget, £48,000 on adoption placements through external providers and adoption legal fees, £52,000 on fostering fees and allowances, £11,000 on additional support needs training and £26,000 on the Inclusion teams operational budget. Cala operational costs, fostering training and other small underspends have also contributed to the overall underspend.

## **5. ESTIMATED OUTTURN**

- 5.1 The estimated outturn for the year ending 31 March 2020 is £100,814,000 against a budget of £101,736,000 giving an estimated underspend for the year of £922,000.
- 5.2 For budget reporting purposes, it is assumed that schools will spend their devolved budgets by the year end. Any actual underspends or overspends will be carried forward in accordance with the Devolved School Management Scheme.
- 5.3 The estimated year end position for Lifelong Learning, Culture and Sport is an underspend of £234,000 which is mainly due to a projected underspend in the repairs and maintenance budget of £155,000.
- 5.4 Education Central Services is estimated to overspend £222,000 against budget. The main reasons for the overspend are the centrally held supply budget expecting to be overspent by £275,000.
- 5.5 An underspend of £458,000 is anticipated in Integrated Children's Services. The most significant areas of underspend are fostering fees and allowances £145,000, foster care home to school travel £25,000, area teams operational budgets £52,000 and self directed support payments £65,000. Within the adoption service there are anticipated underspends on external adoption placements and legal fees of £44,000, adoption allowances £21,000 and one-off income from other authorities for adoption placements in Moray £14,000.
- 5.6 The Efficiency savings (staffing vacancy savings) targets are estimated to over achieve, adding £469,000 to the overall underspend.

## **5. SUMMARY OF IMPLICATIONS**

### **(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

The Education and Children and Families Revenue Budget has particular reference to National Outcome 8 – we have improved the life chances for children, young people and families at risk.

**(b) Policy and Legal**

The Council has statutory responsibilities to meet educational needs, the needs of children and young people in need and those it looks after.

**(c) Financial implications**

The resource implications are set out in this report and at **Appendix 1**. The underspend as at 31 December 2019 is £794,000 against a budget to date of £73,404,000. The estimated outturn for the year ended 31 March 2020 is expenditure of £100,814,000 against a budget of £101,736,000 giving an estimated underspend of £922,000

**(d) Risk implications**

Budget Managers are aware of their responsibilities for managing budget allocations and approval for any variances will be sought from Committee in line with the Financial Regulations.

**(e) Staffing implications**

There are no staffing implications associated with this report.

**(f) Property**

There are no property implications associated with this report.

**(g) Equalities/Socio Economic Impact**

An Equality Impact Assessment is not needed because the report is to inform the Committee on budget monitoring.

**(h) Consultations**

Paul Connor, Principal Accountant and Tracey Sutherland, Committee Services Officer, have been consulted and are in agreement with the contents of this report where it relates to their areas of responsibility.

**7. CONCLUSION**

**7.1 That Committee scrutinises and notes the budget position as at 31 December 2019.**

Author of Report: Vivienne Cross, Head of Education  
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Background Papers: with authors and finance