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**REPORT TO: CHILDREN AND YOUNG PEOPLE'S SERVICES COMMITTEE ON  
29 MAY 2019**

**SUBJECT: EDUCATION AND CHILDREN AND FAMILIES REVENUE  
BUDGET MONITORING 2018/19 TO 31 MARCH 2019**

**BY: ACTING CORPORATE DIRECTOR (EDUCATION AND SOCIAL  
CARE)**

**1. REASON FOR REPORT**

- 1.1 To inform the Committee of the budget position for Education and Children and Families Services as at 31 March 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 March 2019.**

**3. BACKGROUND**

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

**4. BUDGET POSITION**

- 4.1 The spend at 31 March 2019 is £100,503,000 against a budget of £101,448,000, giving an underspend of £945,000 as shown in **Appendix 1**.
- 4.2 The variance in Early Learning and Childcare (ELC) Education is a £66,000 underspend and mainly relates to an underspend of the grant from the Scottish Government for the expansion of Early Learning and Childcare which will be required in 2019/20 as the implementation progresses.
- 4.3 The main variance in primary schools and secondary schools relates to devolved school budgets comprising of £355,000 in primary schools and £270,000 in secondary schools. As part of the budget savings for 2019/20 the Devolved School Management (DSM) budgeted carry forward is to be removed.

- 4.4 Lifelong Learning, Culture and Sport has an underspend of £170,000. The main variances are a £25,000 underspend for library books due to late publishing, £60,000 underspend on payments to Moray Leisure Centre and a £94,000 underspend on schools repairs and maintenance due to mild winter weather. There is also an underspend of £103,000 on the Keith and Elgin Academy Public Private Partnership (PPP) contract, relating to a refund of insurance costs. The underspends are reduced by a shortfall on Libraries income of £23,000 and redundancy costs of £93,000 that have been incurred as part of the 2019/20 budget savings.
- 4.5 Within the Education Central Services budget there is an underspend of £471,000. This is mainly due to a £583,000 underspend in the Pupil Equity Funding grant for 2018/19 which is utilised over the academic year. This is reduced by an overspend in the central supply budget of £138,000 and £42,000 loss of income from the music instruction service due to pupils withdrawing from the service following increased charges and staff sickness for which cover has not been engaged. Other minor overspends and underspends throughout the service increase the overall underspend by £68,000.
- 4.6 The overspend in Integrated Children's Services is £578,000 which is a combination of underspends and overspends. The out of area budget is overspent by £1,234,000. This overspend and demand is being actively monitored and considered within a wider commissioning strategy to make best use of available resources. Continuing Care is overspent by £27,000, this was a new burden put on the Council following the implementation of the Children and Young People (Scotland) Act 2014. The overspend is reduced by a £262,000 underspend on children with disabilities contract, adoption placements through external providers £53,000, fostering fees and allowances £65,000 and a one-off refund of £184,000 from a provider for prior year underspends on a contract. The balance being made up of other underspends of £119,000.

## **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 March 2019 is £945,000 against a budget of £101,448,000.

- (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**  
Deborah O’Shea, 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 March 2019.**

Author of Report: Vivienne Cross, Head of Schools and Curriculum Development  
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Background Papers: with authors and finance