

To: Finance, Resources and Customer Services Policy Board

On: 03 February 2021

Report by: Director of Finance and Resources

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 Finance, Resources and Customer Services is an underspend position of £4.589m (4.7%) against the revised budget for the year. This position results from the fact that additional government funding related to the COVID-19 pandemic is currently held within central Miscellaneous budgets.
- 1.2. The projected Capital outturn at 31 March 2021 for Finance, Resources and Customer Services is a break-even position.
- 1.3. This is summarised over the relevant services 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 (Adv)/Fav £000	Budget Variance %
Finance and Resources	35,908	35,519	1,660	37,179	(1,271)	3.5%
Environment and Infrastructure	15,928	14,736	4,022	18,758	(2,830)	17.8%
Miscellaneous	46,429	46,429	(8,690)	37,739	8,690	-18.7%

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 %
Finance, Resources and Customer Services, including Environment and Infrastructure	£5,997	£5,997	£0	£5,997	£0	0.0%

2. Recommendations

Members are requested to:

- 2.1. Note the projected Revenue outturn position detailed in Table 1 above, considering that the forecast position is based on best estimates and confirmed government support at this point in time and may not incorporate the full financial implications of a sustained period of the current lockdown arrangements. 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 the projected Capital outturn position detailed in Table 2 above; and
- 2.3. Note the budget adjustments detailed at sections 4 and 6.

3. Revenue

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual underspend of £4.589m (4.7% of total budget) for services reporting to the Finance, Resources and Customer Services Policy Board. This position results from the fact that additional government funding related to the COVID-19 pandemic is currently held within central Miscellaneous budgets and has not been allocated to departments. Detailed division service reports can be also be found here, along with an explanation of each significant projected variance.
- 3.2. The projected outturn is based on information currently available and assumptions made by service budget holders. Any changes to these projections will be detailed in future reports to this Board.
- 3.3. The main reason for the projected outturn position is indicated below the tables showing both the subjective analysis (what the budget is spent on) and the objective analysis (which division is spending the budget).

4. Revenue Budget Adjustments

- Members are requested to note from Appendix 1 that budget adjustments totalling £3.578m have been processed since the last report. These related mainly to budget increases in the Miscellaneous Service, as follows:
 - £1.599m COVID-19 funding from the Scottish Government to be paid as a redetermination of the General Revenue Grant;
 - £1.240m of COVID-19 related Council Tax Reduction funding;
 - £0.599m of COVID-19 related Education Recovery funding yet to be allocated to services.

5. Capital

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9th March 2020.
- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme for Finance, Resources and Customer Services for the year of £0.614m mainly as result of changes to cash flow timings.
- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 2.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes in totalling £0.614m have arisen which reflect the following:
 - Budget reprofiled from 2020/21 to 2021/22 (£0.614m):
 - ICT Infrastructure & Renewal (£0.426m) due to changes in timing of expected delivery and installation dates.
 - Lifecycle Capital Maintenance (£0.188m) largely due to changes in timing of boiler replacement work as a result of the ongoing Covid-19 pandemic.

Implications of this report

- 1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an underspend of £4.589m. Income and expenditure will continue to be monitored closely for the rest of the financial year and, as far as possible, steps will be taken to mitigate any overspend.

The projected outturn position for Finance, Resources and Customer Services' Capital budget is break-even. The Capital programme will continue to be monitored closely for the rest of the financial year and, where necessary, steps will be taken to mitigate any overspend.

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

The Capital expenditure in this board will result in lifecycle maintenance improvements to existing properties and replacement of ICT assets and infrastructure.

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.
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List of Background Papers

Revenue Budget and Council Tax 2020/21. Council, 9th March 2020.

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2020/21 – 24/25. Council, 9th March 2020.

Revenue and Capital Budget Monitoring as at 26 June 2020 - Finance, Resources and Customer Services Policy Board, 2 September 2020

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER 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) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Finance and Resources	35,898	10	35,908	35,519	1,660	37,179	(1,271)	(3.5%)	(1,271)	0
Environment and Infrastructure	15,882	46	15,928	14,736	4,022	18,758	(2,830)	(17.8%)	(2,757)	(74)
Miscellaneous	42,907	3,522	46,429	46,429	(8,690)	37,739	8,690	18.7%	4,842	3,848
NET EXPENDITURE	94,687	3,578	98,265	96,684	(3,008)	93,676	4,589	4.7%	814	3,774

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) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	77,758	59	77,817	77,091	1,309	78,400	(583)	(0.7%)	(518)	(67)
Premises Related	9,159	(34)	9,125	9,465	0	9,465	(340)	(3.7%)	(172)	(169)
Transport Related	816	0	816	1,175	79	1,254	(438)	(53.7%)	(418)	(21)
Supplies and Services	24,923	3,419	28,342	28,167	(7,366)	20,801	7,541	26.6%	3,695	3,846
Third Party Payments	2,002	0	2,002	2,004	0	2,004	(2)	(0.1%)	(2)	0
Transfer Payments	63,773	22	63,795	53,309	0	53,309	10,486	16.4%	8,078	2,408
Support Services	2,480	128	2,608	2,923	0	2,923	(315)	(12.1%)	(193)	(122)
Depreciation and Impairment Losses	13,196	0	13,196	13,196	0	13,196	0	0.0%	0	0
GROSS EXPENDITURE	194,107	3,594	197,701	187,331	(5,978)	181,353	16,348	8.3%	10,470	5,877
Income	(99,420)	(16)	(99,436)	(90,646)	2,970	(87,676)	(11,760)	(11.8%)	(9,657)	(2,103)
NET EXPENDITURE	94,687	3,578	98,265	96,684	(3,008)	93,676	4,589	4.7%	814	3,774

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER 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) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Finance and Resources Directorate	(785)	18	(767)	-776	0	(776)	9	1.2%	22	(13)
Corporate Governance	2,982	(26)	2,956	2,764	192	2,956	0	0.0%	(184)	184
Finance Services	3,403	(21)	3,382	3,391	0	3,391	(9)	(0.3%)	(22)	13
ICT Services	9,354	1	9,355	9,773	160	9,933	(578)	(6.2%)	(425)	(153)
HR, OD and Workforce Strategy	2,515	0	2,515	2,778	0	2,778	(263)	(10.5%)	(261)	(2)
Customer and Business Services	14,654	47	14,701	14,123	830	14,953	(252)	(1.7%)	(278)	26
Housing Benefits	1,778	0	1,778	1,773	0	1,773	5	0.3%	4	1
Property Services	649	(10)	639	407	381	788	(149)	(23.3%)	(156)	7
Social care (non-delegated)	743	0	743	804	0	804	(61)	(8.2%)	2	(63)
Change Fund	19	0	19	(78)	97	19	0	0.0%	0	0
Finance projects	(1)	1	0	0	0	0	0	0.0%	0	0
Audit Services	587	0	587	560	0	560	27	4.6%	27	0
NET EXPENDITURE	35,898	10	35,908	35,519	1,660	37,179	(1,271)	(3.5%)	(1,271)	0

Objective Heading	Key Reasons for Significant Projected Variances
Corporate Governance	COVID-19 overspend arises from loss of income within Licensing and Registration services; the projection for this has increased since Period 3
ICT Services	Anticipated overspend within Business World team owing to overlap of software contract re-tender exercise this year; COVID-19 overspend arises from increased kit and data requirements over the period of lockdown. Projection has increased owing to staffing underspends no longer expected to be
HR, OD and Workforce Strategy	Projected overspend largely relates to temporary staff costs in the Project Management Unit
Customer and Business Services	COVID-19 overspend arises from loss of income from statutory additions and Water Direct, mitigated by savings in postage and printing costs
Property Services	COVID-19 overspend arises from loss of income within the Technical Unit (fees from capital projects) and from commercial rents, mitigated by savings in external consultant costs

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - FINANCE & RESOURCES

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) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	32,978	31	33,009	33,391	80	33,471	(462)	(1.4%)	(456)	(6)
Premises Related	2,085	0	2,085	2,228	0	2,228	(143)	(6.9%)	(63)	(80)
Transport Related	81	1	82	66	0	66	16	19.5%	1	15
Supplies and Services	8,219	31	8,250	8,535	203	8,738	(488)	(5.9%)	(408)	(80)
Third Party Payments	1,637	0	1,637	1,639	0	1,639	(2)	(0.1%)	(2)	0
Transfer Payments	63,605	(3)	63,602	53,029	0	53,029	10,573	16.6%	8,149	2,424
Support Services	627	(31)	596	519	0	519	77	12.9%	98	(21)
GROSS EXPENDITURE	109,232	29	109,261	99,407	283	99,690	9,571	34.7%	7,319	2,252
Income	(73,334)	(19)	(73,353)	(63,888)	1,377	(62,511)	(10,842)	(14.8%)	(8,590)	(2,252)
NET EXPENDITURE	35,898	10	35,908	35,519	1,660	37,179	(1,271)	(3.5%)	(1,271)	0

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - FINANCE & RESOURCES

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) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	32,978	31	33,009	33,391	80	33,471	(462)	(1.4%)	(456)	(6)
Premises Related	2,085	0	2,085	2,228	0	2,228	(143)	(6.9%)	(63)	(80)
Transport Related	81	1	82	66	0	66	16	19.5%	1	15
Supplies and Services	8,219	31	8,250	8,535	203	8,738	(488)	(5.9%)	(408)	(80)
Third Party Payments	1,637	0	1,637	1,639	0	1,639	(2)	(0.1%)	(2)	0
Transfer Payments	63,605	(3)	63,602	53,029	0	53,029	10,573	16.6%	8,149	2,424
Support Services	627	(31)	596	519	0	519	77	12.9%	98	(21)
GROSS EXPENDITURE	109,232	29	109,261	99,407	283	99,690	9,571	34.7%	7,319	2,252
Income	(73,334)	(19)	(73,353)	(63,888)	1,377	(62,511)	(10,842)	(14.8%)	(8,590)	(2,252)
NET EXPENDITURE	35,898	10	35,908	35,519	1,660	37,179	(1,271)	(3.5%)	(1,271)	0

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - ENVIRONMENT AND INFRASTRUCTURE

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) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Building Services	(338)	0	(338)	-338	482	144	(482)	142.7%	(501)	19
Street Lighting Maintenance Work	373	0	373	517	0	517	(144)	(38.6%)	(150)	6
Public Building Repairs	3,496	54	3,550	3,550	0	3,550	(0)	(0.0%)	0	(1)
Cleaning And Janitorial Services	7,126	(6)	7,120	6,440	850	7,290	(170)	(2.4%)	(31)	(139)
Catering	4,563	(2)	4,561	3,965	2,690	6,655	(2,094)	(45.9%)	(2,144)	50
School Crossing Patrols	662	0	662	602		602	60	9.0%	70	(10)
NET EXPENDITURE	15,882	46	15,928	14,736	4,022	18,758	(2,830)	(17.8%)	(2,757)	(74)

Objective Heading	Key Reasons for Significant Projected Variances
Building Services	Increased employee costs due to the delivery of the food insecurity packages across Renfrewshire. Due to restrictions on construction work there is a loss of productivity and therefore lower income. Measures are being put in place to try and minimise the effect of this for the remainder of the year.
Cleaning And Janitorial Services	There is a significant spend related to the service response to the pandemic, including significant additional cleaning in schools, and additional hours required to cover for absence related to staff shielding. The effect of schools further closure due to the pandemic will be monitored and reported to the next policy board.
Catering	The pressure due to the pandemic includes, a loss of income from school meals and Renfrewshire House café. Also includes food costs of the food insecurity packages delivered to residents across Renfrewshire. These are partially offset by savings in food purchases. The effect of schools further closure due to the pandemic will be monitored and reported to the next policy board.

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - ENVIRONMENT AND INFRASTRUCTURE

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) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	18,680	54	18,734	17,625	1,229	18,854	(120)	(0.6%)	(62)	(59)
Premises Related	3,220	(36)	3,184	3,383	0	3,383	(199)	(6.3%)	(109)	(91)
Transport Related	734	0	734	1,109	79	1,188	(454)	(61.9%)	(419)	(36)
Supplies and Services	5,467	(50)	5,417	4,957	1,121	6,078	(661)	(12.2%)	(739)	78
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	1	0	1	89	0	89	(88)	(8795.9%)	(71)	(17)
Support Services	546	160	706	1,097	0	1,097	(391)	(55.3%)	(291)	(100)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	28,648	128	28,776	28,261	2,429	30,690	(1,914)	(6.7%)	(1,691)	(223)
Income	(12,766)	(82)	(12,848)	(13,524)	1,593	(11,931)	(917)	(7.1%)	(1,067)	149
NET EXPENDITURE	15,882	46	15,928	14,736	4,022	18,758	(2,830)	(17.8%)	(2,757)	(74)

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

Subjective Summary	Revised Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID- 19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	26,102	(27)	26,075	26,075	0	26,075	0	0.0%	0	0
Premises Related	3,854	0	3,854	3,854	0	3,854	0	0.0%	0	0
Transport Related	0	0	0	0	0	0	0	0.0%	0	0
Supplies and Services	11,237	3,438	14,675	14,675	(8,690)	5,985	8,690	59.2%	4,742	3,948
Third Party Payments	365	0	365	365	0	365	0	0.0%	0	0
Transfer Payments	166	25	191	191	0	191	0	0.0%	0	0
Support Services	1,307	0	1,307	1,307	0	1,307	0	0.0%	0	0
Depreciation and Impairment Losses	13,196	0	13,196	13,196	0	13,196	0	0.0%	0	0
GROSS EXPENDITURE	56,227	3,436	59,663	59,663	(8,690)	50,973	8,690	14.6%	4,742	3,948
Income	(13,320)	86	(13,234)	(13,234)	0	(13,234)	0	0.0%	0	0
NET EXPENDITURE	42,907	3,522	46,429	46,429	(8,690)	37,739	8,690	18.7%	4,742	3,948

Subjective Heading	Key Reasons for Significant Projected Variances
Employee Costs	Budget adjustment relates to realignment of Council Tax Reduction budgets to Council Tax
Supplies and Services	COVID-19 projection relates to an overspend of £0.500m in Free School Meal and an under-recovery in savings of £0.850m due to the pause in R4R arising from the pandemic. An under-recovery in investment income of £0.6m is also anticipated. These are offset by £10.6m of additional COVID-19 funding from the Scottish Government that has not been allocated to services.
Transfer Payments	Budget adjustment relates to R4R savings being transferred in from Finance and Resources

RENFREWSHIRE COUNCIL
CAPITAL BUDGET MONITORING STATEMENT 2020/2021
1st April 2020 to 13th November 2020

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Project Title	Current Year 2020/21							Full Programme - All years			
	Prior Years Expenditure to 31/03/2020*	Approved Budget 2020/21	Budget Adjustments 2020/21	Revised Budget 2020/21	Projected Outturn 2020/21	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31 March 2025	Projected Outturn to 31 March 2025	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%	£000	£000	£000	%
CORPORATE PROJECTS											
ICT Infrastructure Maint & Renewal Programme	0	1,231	93	1,324	1,324	0	0%	3,525	3,525	0	0%
Strategic Asset Management Fund	0	645	(645)	0	0	0	0%	0	0	0	0%
Energy Efficiency Programme	0	402	(402)	0	0	0	0%	147	147	0	0%
Lifecycle Capital Maintenance (LCM) Fund	0	5,157	(2,409)	2,748	2,748	0	0%	9,290	9,290	0	0%
Digital Infrastructure Provision	435	1,200	0	1,200	1,200	0	0%	1,935	1,935	0	0%
Community Empowerment Fund	74	351	(8)	343	343	0	0%	951	951	0	0%
Greenspaces and Parks	193	396	(14)	382	382	0	0%	1,016	1,016	0	0%
Villages Improvement Fund	0	0	0	0	0	0	0%	150	150	0	0%
TOTAL	702	9,382	(3,385)	5,997	5,997	0	0%	17,014	17,014	0	0%

*Rolling programmes have a prior year expenditure of £0 as the expenditure is not directly linked from one year to the next as a singular project.