

**To: Infrastructure, Land and Environment Policy Board**  
**On: 8 November 2023**

**Report by: Director of Finance & Resources and Director of Environment, Housing and Infrastructure**

**Heading: Revenue and Capital Budget Monitoring as at 15 September 2023**

## 1. Summary of Financial Position

- 1.1. The projected Revenue outturn as at 31 March 2024 for Infrastructure, Land and Environment is an overspend position of £2.770m (8.6%) against the revised budget for the year.
- 1.2. The projected Capital outturn as at 31 March 2024 for Infrastructure, Land and Environment 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 attached appendices.

<b>Table 1: Revenue</b>				
<b>Division</b>	<b>Revised Annual Budget</b>	<b>Total Projected Outturn</b>	<b>Budget Variance (Adv)/Fav</b>	<b>Budget Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Environment and Infrastructure	32,290	35,060	(2,770)	(8.6%)

<b>Table 2: Capital</b>				
<b>Division</b>	<b>Revised Annual Budget</b>	<b>Total Projected Outturn</b>	<b>Budget Variance (Adv)/Fav</b>	<b>Budget Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Environment and Infrastructure	18,180	18,180	0	0%

## **2. Recommendations**

It is recommended that the Infrastructure, Land and Environment Policy Board:

- 2.1 Note the projected Revenue outturn position as detailed in Table 1 above;
  - 2.2 Note the projected Capital outturn position as detailed in Table 2 above; and
  - 2.3 Note the Revenue and Capital budget adjustments detailed in sections 4 and 6.
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## **3 Revenue**

- 3.1 The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £2.770m (8.6% of total budget) for Infrastructure, Land and Environment. Narrative is provided in the Appendices below to provide context and explanation to the budget position for service areas.
- 3.2 The projected costs for this financial year are based on the financial information available at the time of writing this report, and future projections and outturns may vary depending on the operational and current market conditions.
- 3.3 The forecast financial overview for the Council being reported to Finance, Resources and Customer Services Board incorporates the overspend position reflected in this report.
- 3.4 The main reasons for the projected outturn position are indicated below, with the tables showing both the subjective analysis (what the budget is spent on) and the objective analysis (which division is spending the budget). The main drivers are the loss of parking income, as has been the case since the beginning of the pandemic, refuse collection costs that are largely driven by inflationary pressures, absence cover as a result of annual leave and sick leave, and the impact of other inflationary pressures across the services such as the Clyde Valley Waste contract.

## **4 Revenue Budget Adjustments**

- 4.1 Since the last report there have been net budget adjustments of £841k reflecting the delivery of agreed savings, and the transfer of funding in relation to contract inflation pressures and proactive tree management works.

## **5 Capital**

- 5.1 The Capital Investment Programme 2023/24 to 2027/28 was approved by the Council on 2 March 2023. The approved spend for 2023/24 at that time was £16.676m.
- 5.2 The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £1.504m as explained in 6.1.
- 5.3 The projected outturn at 31 March 2024 is to break-even.

5.4 Further detail, including reasons for significant variances, can be found at Appendix 2.

## 6 Capital Budget Adjustments

6.1 Since the last report, budget adjustments of £1.504m have arisen, which reflect the following changes:

- Net budget reprofiled to 2023/24 of £1.504m to reflect updated cash flows for the following projects;
  - Vehicle Replacement Programme - (£0.203m)
  - Paisley to Renfrew Active Travel Route - £0.500m
  - Hawkhead Estate to Seedhill Road (Linside) Active Travel Link - £0.200m
  - North Renfrewshire Active Travel Inchinnan Drive to Glasgow Airport - £0.540m
  - Parks - Multi Use Games Area- £0.100m
  - Road Safety - £0.257m
  - Direct Resource Grant (Feasibility) - £0.030m
  - Electric Vehicle Infrastructure Fund - £0.080m

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### Implications of this report

1. **Financial** – The projected outturn position for the Infrastructure, Land and Environment Revenue budget is an overspend of £2.770m.

The projected outturn position for the Infrastructure, Land and Environment Capital budget is a break-even position.

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**

Capital projects result in lifecycle improvements and replacements to Roads & footways network and vehicles.

6. **Information Technology**

None directly arising from this report.

- 7. Equality and Human Rights**  
None directly arising from this report.
- 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 2023/24. Council, 2 March 2023

Non Housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2023/24 – 2027/28. Council, 2 March 2023.

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2023/24**  
**1 April 2023 to 15 September 2023**

**POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT**

Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%		£000
Directorate and Service Co-ordination	1,271	95	1,366	1,254	112	8.2%	170	(58)
Refuse Collection	4,766	44	4,810	5,657	(847)	(17.6%)	(1,045)	198
Household Waste Recycling Centres	936	0	936	1,027	(91)	(9.7%)	(83)	(8)
Refuse Disposal	7,046	281	7,327	7,470	(143)	(2.0%)	(74)	(69)
Streetscene	6,815	400	7,215	7,326	(111)	(1.5%)	(322)	211
Sustainability and Place	443	(11)	432	506	(74)	(17.1%)	(22)	(52)
Fleet Services	(84)	7	(77)	236	(313)	(406.5%)	(96)	(217)
Social Transport	1,597	(1)	1,596	1,555	41	2.6%	32	9
Roads Operations	3,065	0	3,065	3,039	26	0.8%	46	(20)
Infrastructure and Assets	1,844	(110)	1,734	1,980	(246)	(14.2%)	(32)	(214)
Transportation & Development	1,050	(13)	1,037	1,113	(76)	(7.3%)	0	(76)
Parking of Vehicles	(1,181)	0	(1,181)	(273)	(908)	(76.9%)	(922)	14
Street Lighting Maintenance Work	382	0	382	522	(140)	(36.6%)	(140)	0
Energy Management Unit	261	149	410	410	0	0.0%	0	0
Strathclyde Partnership for Transport Requisition	3,238	0	3,238	3,238	0	0.0%	0	0
<b>NET EXPENDITURE</b>	<b>31,449</b>	<b>841</b>	<b>32,290</b>	<b>35,060</b>	<b>(2,770)</b>	<b>(8.6%)</b>	<b>(2,488)</b>	<b>(283)</b>

Objective Heading	Key Reasons for Projected Variance
Waste Services	<p>This reflects the financial position for Refuse Collection, Refuse Disposal and Household Waste Recycling Centres. As reported previously, the overspend in the main, relates to increased costs relating to bins, caddies and bin liner supplies. Both Streetscene and Waste Services are experiencing high levels of overtime that is likely to continue throughout this financial year. This is in large part due to additional annual leave days agreed as part of the pay award, additional public holidays and 2024 being a leap year, totalling six extra days costs. In addition, the LGV driver training referred to in the previous Operational Performance Report from August will result in another 4 days to be covered for drivers. In addition, there has been a reduction in demand for special uplifts. In relation to the movement in Refuse Disposal, there are increased inflationary costs linked to the Clyde Valley Waste contract. In addition and in relation to other recyclable waste, the recyclates market is highly volatile and as a result this will be closely monitored through the remainder of the year.</p>
Streetscene	<p>The current projected overspend within Streetscene largely relates to additional tree management and associated health and safety issues, such as tree inspections and tree health monitoring, including Ash Dieback and Larch infection activities. It should be noted that the level of work with regards to the tree management activities being undertaken has increased significantly and this has been reflected into the revised outturn position. There is also a cost pressure in relation the memorial safety team which will be addressed through the use of ringfenced reserves in advance of a recurring budget being baselined in future years. Consistent with other areas within the service, the projected outturn is showing inflationary pressures in other supplies and services. The Operational Management team continue to closely scrutinise costs.</p>
Fleet Services	<p>The current projected overspend within Fleet Services, in the main reflects the impact inflationary impact on contractor, material and tyre costs.</p>
Infrastructure and Assets	<p>As previously reported, the current projected overspend is as a result of reduced construction consent income, offset by a projected over recovery in sales, fees and charges. Due to the income generated in sales, fees and charges being of a reactive nature, this is an area that is difficult to predict, however this position will be closely monitored for the remainder of the financial year with the finance</p>

<b>Objective Heading</b>	<b>Key Reasons for Projected Variance</b>
Parking of Vehicles	Off-street parking charges have been reintroduced for a significant period of time, however on and off street parking income and fine recovery remain significantly lower than pre-pandemic levels and this is expected to continue for the rest of the financial year. In 2022/23 an under recovery of £1m was incurred, with a similar amount being forecast for 2023/24. The position will be closely monitored throughout the year, with an expected drawdown from ringfenced reserves being actioned at the end of the financial year to cover the shortfall that will result during 2023/24.
Street Lighting Maintenance Work	An overspend is projected for this service, which is predominantly on the repairs and maintenance of lighting columns, due to the increased cost of materials. This will be closely monitored throughout the remainder of the financial year with mitigating actions by management where required.

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2023/24**  
**1 April 2023 to 15 September 2023**

**POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT**

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	23,450	294	23,744	24,894	(1,150)	(4.8%)	(565)	(587)
Premises Related	1,226	0	1,226	1,353	(127)	(10.4%)	(101)	(26)
Transport Related	6,000	(2)	5,998	6,397	(399)	(6.7%)	(230)	(169)
Supplies and Services	12,215	920	13,137	14,231	(1,094)	(8.3%)	(1,133)	39
Third Party Payments	3,271	0	3,271	3,259	12	0.4%	12	0
Transfer Payments	112	2	114	153	(39)	(34.2%)	(40)	1
Support Services	34	1	35	46	(11)	(31.4%)	(12)	1
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>46,308</b>	<b>1,215</b>	<b>47,525</b>	<b>50,333</b>	<b>(2,808)</b>	<b>(5.9%)</b>	<b>(2,069)</b>	<b>(741)</b>
Income	(14,859)	(376)	(15,235)	(15,273)	38	0.2%	(419)	457
<b>NET EXPENDITURE</b>	<b>31,449</b>	<b>839</b>	<b>32,290</b>	<b>35,060</b>	<b>(2,770)</b>	<b>(8.6%)</b>	<b>(2,488)</b>	<b>(283)</b>



**RENFREWSHIRE COUNCIL**  
**CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES**  
**1st April to 15th September 2023**  
**POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT**

Project Title	Current Year 2023-24						Full Programme - All years				
	Prior Years Expenditure to 31/03/2023	Budget at P3 2023-24	Budget Adjustments 0	Revised Budget 2023-24	Projected Outturn 2023-24	Budget Variance (Adverse) or		Total Approved Budget to 31-Mar-27	Projected Outturn to 31-Mar-27	Budget Variance (Adverse) or	
	£000	£000	£000	£000	£000			£000	£000		
<b>ENVIRONMENT &amp; INFRASTRUCTURE</b>											
Cycling, Walking & Safer Routes	0	1,149	0	1,149	1,149	0	0%	786	786	0	0%
Roads/Footways Upgrade Programme	73,464	7,522	0	7,522	7,522	0	0%	81,785	81,785	0	0%
Vehicle Replacement Programme	0	2,359	(203)	2,156	2,156	0	0%	2,359	2,359	0	0%
Paisley to Renfrew Active Travel Route	0	0	500	500	500	0	0%	500	500	0	0%
Hawkhead Estate to Seedhill Road(Linside) Active Travel	0	0	200	200	200	0	0%	200	200	0	0%
North Renfrewshire Active Travel Inchinnan Drive to Glasgow	0	0	540	540	540	0	0%	540	540	0	0%
Bridge Assessment/Strengthening	0	547	0	547	547	0	0%	547	547	0	0%
Lighting Columns Replacement	0	1,065	0	1,065	1,065	0	0%	1,065	1,065	0	0%
Traffic Management	0	361	0	361	361	0	0%	361	361	0	0%
Core pathways & cycle network	85	115	0	115	115	0	0%	200	200	0	0%
Parks Improvement Programme	1,139	65	0	65	65	0	0%	1,204	1,204	0	0%
Improvements to Outdoor Access and Play Area Program	1,553	321	0	321	321	0	0%	1,873	1,873	0	0%
Multi Purpose Bins	60	20	0	20	20	0	0%	80	80	0	0%
Public Litter Bin Replacement Programme	0	90	0	90	90	0	0%	90	90	0	0%
Improvements to Cemetery Estate	1,238	303	0	303	303	0	0%	1,541	1,541	0	0%
Renewal of Play Parks	158	657	0	657	657	0	0%	1,694	1,694	0	0%
Parks - Multi Use Games Area	0	0	100	100	100	0	0%	100	100	0	0%
Nature Restoration Fund	191	617	0	617	617	0	0%	541	541	0	0%
Road Safety	0	0	257	257	257	0	0%	257	257	0	0%
Direct Resource Grant (Feasibility)	0	0	30	30	30	0	0%	30	30	0	0%
EV Infrastructure Fund	0	0	80	80	80	0	0%	80	80	0	0%
Strathclyde Partnership Transport	0	1,485	0	1,485	1,485	0	0%	1,485	1,485	0	0%
<b>TOTAL INFRASTRUCTURE, LAND &amp; ENVIRONMENT BOARD</b>	<b>77,888</b>	<b>16,676</b>	<b>1,504</b>	<b>18,180</b>	<b>18,180</b>	<b>0</b>	<b>0%</b>	<b>97,318</b>	<b>97,318</b>	<b>0</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.