Renfrewshire Council

To:	**Finance, Resources and Customer Services Policy Board**
On:	**23 November 2023**
Report by:	**Director of Finance and Resources**
Heading:	**Revenue and Capital Budget Monitoring as at 15 September 2023**

1. Summary of Financial Position

1.1. The projected revenue outturn at 31 March 2024 for those services reporting to the Finance, Resources and Customer Services Policy Board is an overspend position of £2.159m (2.2%) against the revised budget for the year.

1.2. The projected capital outturn at 31 March 2024 for projects reporting to the Finance, Resources and Customer Services Policy Board 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.

Table 1: Revenue

Division	Revised Annual Budget £000	Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Finance and Resources	43,339	43,339	0	0.0%
Environment, Housing and Infrastructure	20,860	23,019	(2,159)	10.3%
Chief Executive's Service (Estates)	(195)	(195)	0	0.0%
Miscellaneous	32,883	32,883	0	0.0%
Total	**96,887**	**99,046**	**(2,159)**	**2.2%**

Table 2: Capital				
Division	**Revised Annual Budget £000**	**Projected Outturn £000**	**Budget Variance (Adv)/Fav £000**	**Budget Variance %**
Finance, Resources and Customer Services Policy Board	£9,739	£9,739	0	0

2. Recommendations

Members are requested to:

2.1. Note the projected Revenue outturn position detailed in Table 1 above;

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 overspend of £2.159m (2.2% of total budget) for all services reporting to this Policy Board. Detailed division service reports can be found at the end of this report, along with an explanation of any significant projected variances.

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 reasons for the projected outturn position are 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).

3.4. Following the recent senior management restructure, Property Services has moved from the Finance and Resources line to Environment, Housing and Infrastructure, and the Estates service, which reports into Chief Executive Services, appears as a new line within the subjective analysis tables. Streetlighting and Energy Management are now reported to the Infrastructure, Land and Environment Policy Board.

4. Revenue Budget Adjustments

4.1. Members are requested to note, from Appendix 1, that budget adjustments totalling **£0.970m** have been processed since the last report at Period 3, with the main reasons as follows:

- **-£6.310m** transfer from Miscellaneous Services to Children's Services to reflect Teachers' Pay Award as at 1st April 2023.
- **-£0.288m** allocation from Miscellaneous Services to Environment, Housing and Infrastructure for utilities.
- **-£0.190m** transfer from Miscellaneous Services to Environment, Housing and Infrastructure for various budget reallocations.
- **+£3.636m** transferred into Miscellaneous Services to reflect realignment of revised distributed General Revenue Grant, as reported to Council in June.
- **+£1.575m** transferred into Miscellaneous Services from Infrastructure, Land and Environment relating to savings programmes.
- **+£0.627m** transferred into Miscellaneous Services and a corresponding **-£0.627m** to Finance and Resources relating to Right for Renfrewshire savings.
- **+£0.400m** transferred into Miscellaneous Services from Chief Executive's relating to Right for Renfrewshire savings.
- **+£0.266m** allocation into Miscellaneous Services to reflect the 5% fees and charges uplift that Council approved for 2023/24.

5. Capital

5.1. The Capital Investment Programme 2023/24 to 2027/28 was approved by the Council on 2 March 2023. For Finance, Resources and Customer Services the revised capital spend for 2023/24 is £9.739m.

5.2. The budget movement primarily results from budget carried forward in the approved capital programme for the year. Further detail can be found at Appendix 2.

6. Capital Budget Adjustments

6.1. Since the last report, budget changes totalling £0.600m have arisen, which reflect the following:

  - Budget carried forward into 2024/25 from 2023/24 to reflect planned work to take place during summer 2024 in agreement with Children's Services for modular classrooms renewal at Bishopton Primary.

Implications of this report

1. **Financial –** The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an overspend of £2.159m (2.2%). 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.

   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 noted in this report 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** - 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.

List of Background Papers

Revenue Budget and Council Tax 2023/24, Council 2 March 2023

The Capital Investment Programme 2023/24 to 2027/28, Council 2 March 2023

Authors: Valerie Howie / Lisa Dickie / Alison Burns / Linsey McGregor

APPENDIX 1

RENFREWSHIRE COUNCIL

REVENUE BUDGET MONITORING STATEMENT 2023/24

1 April 2023 to 15 September 2023

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

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	£000
Finance and Resources	43,995	(656)	43,339	43,339	0	0.0%	0	0
Environment, Housing and Infrastructure	20,849	11	20,860	23,019	(2,159)	(10.3%)	(915)	(1,244)
Chief Executive's Service (Estates)	(195)	0	(195)	(195)	0	0.0%	0	0
Miscellaneous	33,208	(325)	32,883	32,883	0	0.0%	0	0
NET EXPENDITURE	**97,857**	**(970)**	**96,887**	**99,046**	**(2,159)**	**(2.2%)**	**(915)**	**(1,244)**

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	82,624	(6,869)	75,755	75,538	217	0.3%	(720)	937
Premises Related	11,909	(178)	11,731	12,060	(329)	(2.8%)	(316)	(13)
Transport Related	2,045	(3)	2,042	2,597	(555)	(27.2%)	(238)	(317)
Supplies and Services	28,914	725	29,639	32,367	(2,728)	(9.2%)	(1,616)	(1,112)
Third Party Payments	1,970	(70)	1,900	1,878	22	1.2%	(40)	62
Transfer Payments	58,009	5,811	63,820	63,759	61	0.1%	6	55
Support Services	68	0	68	39	29	42.6%	51	(22)
Depreciation and Impairment Losses	7,957	0	7,957	7,957	0	0.0%	(20)	20
GROSS EXPENDITURE	**193,496**	**(584)**	**192,912**	**196,195**	**(3,283)**	**(1.7%)**	**(2,893)**	**(390)**
Income	(95,639)	(386)	(96,025)	(97,149)	1,124	1.2%	1,978	(854)
NET EXPENDITURE	**97,857**	**(970)**	**96,887**	**99,046**	**(2,159)**	**(2.2%)**	**(915)**	**(1,244)**

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

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	£000
Finance and Resources Directorate	(924)	(145)	(1,069)	(1,068)	(1)	(0.1%)	42	(43)
Audit Services	630	8	638	615	23	3.6%	4	19
Corporate Governance	3,211	(141)	3,070	3,056	14	0.5%	45	(31)
Digital, Transformation & Customer Services	22,114	(87)	22,027	22,017	10	0.0%	(36)	46
Finance and Procurement	5,714	44	5,758	5,765	(7)	(0.1%)	(62)	55
Business Services	8,626	(85)	8,541	8,544	(3)	0.0%	22	(25)
Housing Benefits	1,226	0	1,226	1,223	3	0.2%	3	0
People & Organisational Development	2,580	(250)	2,330	2,373	(43)	(1.8%)	(20)	(23)
Social care (non-delegated)	818	0	818	814	4	0.5%	2	2
NET EXPENDITURE	**43,995**	**(656)**	**43,339**	**43,339**	**0**	**0.0%**	**0**	**0**

Objective Heading	Key Reasons for Significant Projected Variances
Finance and Resources	While there are some variances projected within the service, Finance and Resources overall is forecast to break-even by the end of the financial year. Any changes to this position will be updated in future board reports.

RENFREWSHIRE COUNCIL

REVENUE BUDGET MONITORING STATEMENT 2023/24

1 April 2023 to 15 September 2023

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

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	35,030	(351)	34,679	34,652	27	0.1%	(312)	339
Premises Related	1,434	0	1,434	1,458	(24)	(1.7%)	(40)	16
Transport Related	130	(3)	127	111	16	12.6%	24	(8)
Supplies and Services	9,720	0	9,720	9,811	(91)	(0.9%)	(59)	(32)
Third Party Payments	1,875	0	1,875	1,853	22	1.2%	22	0
Transfer Payments	52,117	1	52,118	52,075	43	0.1%	(18)	61
Support Services	483	0	483	467	16	3.3%	50	(34)
GROSS EXPENDITURE	**100,789**	**(353)**	**100,436**	**100,427**	**9**	**14.7%**	**(333)**	**342**
Income	(56,794)	(303)	(57,097)	(57,088)	(9)	0.0%	333	(342)
NET EXPENDITURE	**43,995**	**(656)**	**43,339**	**43,339**	**0**	**0.0%**	**0**	**0**

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RENFREWSHIRE COUNCIL

REVENUE BUDGET MONITORING STATEMENT 2023/24

1 April 2023 to 15 September 2023

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

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	£000
Building Services	(472)	0	(472)	(472)	0	0.0%	0	0
Public Building Repairs	3,733	98	3,831	4,794	(963)	(25.1%)	0	(963)
Soft Facilities Management Services	17,357	(1)	17,356	18,552	(1,196)	(6.9%)	(915)	(281)
Property Services	231	(86)	145	145	0	0.0%	0	0
NET EXPENDITURE	**20,849**	**11**	**20,860**	**23,019**	**(2,159)**	**(10.3%)**	**(915)**	**(1,244)**

Objective Heading	Key Reasons for Significant Projected Variances
Building Services	While the budget shows a break-even this year, this reflects the full recharge of costs to both the Housing Revenue Account and Public Building Repairs as the two main service users of Building Services. It is recognised that costs are under considerable pressure from the effects of inflation, as well as the volume of work required.
Public Building Repairs	There is an anticipated overspend being forecast for the service as a result of Building Services costs being under considerable pressure from supply price increases and contractor inflation. This position will be closely monitored through the year with mitigating actions by management where required. Any updates will be provided at future boards.
Soft Facilities Management Services	As in the previous reporting period, the service is forecasting an anticipated overspend. This is largely due to an under-recovery of income, inflationary pressure on the cost of provisions and cleaning materials, partially offset by vacancies across the service. With inflation falling slower than earlier anticipated, this projected overspend has increased since last period. The position will be closely monitored throughout the remainder of the financial year with mitigating action being taken by Management where possible.

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RENFREWSHIRE COUNCIL

REVENUE BUDGET MONITORING STATEMENT 2023/24

1 April 2023 to 15 September 2023

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

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	29,762	0	29,762	29,572	190	0.6%	(450)	640
Premises Related	3,237	97	3,334	3,639	(305)	(9.1%)	(282)	(23)
Transport Related	1,515	0	1,515	2,086	(571)	(37.7%)	(307)	(264)
Supplies and Services	9,871	(3)	9,868	12,505	(2,637)	(26.7%)	(1,521)	(1,116)
Transfer Payments	123	0	123	105	18	14.6%	2	16
Support Services	985	0	985	972	13	1.3%	(2)	15
GROSS EXPENDITURE	**45,493**	**94**	**45,587**	**48,879**	**(3,292)**	**(7.2%)**	**(2,560)**	**(732)**
Income	(24,644)	(83)	(24,727)	(25,860)	1,133	4.6%	1,645	(512)
NET EXPENDITURE	**20,849**	**11**	**20,860**	**23,019**	**(2,159)**	**(10.3%)**	**(915)**	**(1,244)**

RENFREWSHIRE COUNCIL

REVENUE BUDGET MONITORING STATEMENT 2023/24

1 April 2023 to 15 September 2023

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - CHIEF EXECUTIVE'S SERVICE (ESTATES)

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
Premises Related	1,101	0	1,101	1,101	0	0.0%	0	0
Supplies and Services	4	0	4	4	0	0.0%	0	0
Transfer Payments	66	0	66	66	0	0.0%	0	0
GROSS EXPENDITURE	**1,171**	**0**	**1,171**	**1,171**	**0**	**0.0%**	**0**	**0**
Income	(1,366)	0	(1,366)	(1,366)	0	0.0%	0	0
NET EXPENDITURE	**(195)**	**0**	**(195)**	**(195)**	**0**	**0.0%**	**0**	**0**

Subjective Heading	Key Reasons for Significant Projected Variances
Chief Executive's Service (Estates)	No significant projected year end variances to report.

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RENFREWSHIRE COUNCIL

REVENUE BUDGET MONITORING STATEMENT 2023/24

1 April 2023 to 15 September 2023

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

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	17,832	(6,518)	11,314	11,314	0	0.0%	0	0
Premises Related	6,137	(275)	5,862	5,862	0	0.0%	0	0
Transport Related	400	0	400	400	0	0.0%	0	0
Supplies and Services	9,319	728	10,047	10,047	0	0.0%	0	0
Third Party Payments	95	(70)	25	25	0	0.0%	0	0
Transfer Payments	5,703	5,810	11,513	11,513	0	0.0%	0	0
Support Services	(1,400)	0	(1,400)	(1,400)	0	0.0%	0	0
Depreciation and Impairment Losses	7,957	0	7,957	7,957	0	0.0%	0	0
GROSS EXPENDITURE	**46,043**	**(325)**	**45,718**	**45,718**	**0**	**0.0%**	**0**	**0**
Income	(12,835)	0	(12,835)	(12,835)	0	0.0%	0	0
NET EXPENDITURE	**33,208**	**(325)**	**32,883**	**32,883**	**0**	**0.0%**	**0**	**0**

Subjective Heading	Key Reasons for Significant Projected Variances
Miscellaneous Services	The service is currently forecast to breakeven this year, this position will be closely monitored throughout the year with any updates provided at future boards.

APPENDIX 2

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 15th September 2023
POLICY BOARD: FINANCE, RESOURCES & CUSTOMER SERVICES

		Current Year 2023-24						Full Programme - All years			
Project Title	Prior Years Expenditure to 31/03/2023 £000	Budget at P3 2023-24 £000	Budget Adjustments 0 £000	Revised Budget 2023-24 £000	Projected Outturn 2023-24 £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-27 £000	Projected Outurn to 31-Mar-27 £000	Budget Variance (Adverse) or Favourable	
CORPORATE PROJECTS											
ICT Infrastructure Maintenance & Renewal Programme	0	1,916	0	1,916	1,916	0	0%	3,516	3,516	0	0%
Energy Efficiency Programme	0	66	0	66	66	0	0%	66	66	0	0%
Lifecycle Capital Maintenance (LCM) Fund	0	6,290	(600)	5,690	5,690	0	0%	14,129	14,129	0	0%
Artificial Pitch Upgrades	741	1,059	0	1,059	1,059	0	0%	1,800	1,800	0	0%
Digital Infrastructure Provision	1,904	32	0	32	32	0	0%	1,936	1,936	0	0%
Community Empowerment Fund	399	552	0	552	552	0	0%	951	951	0	0%
Greenspaces and Parks	1,223	0	0	0	0	0	0%	1,224	1,224	0	0%
Villages Improvement Fund	53	297	0	297	297	0	0%	550	550	0	0%
Retail Improvement Fund	23	127	0	127	127	0	0%	150	150	0	0%
School Meals Initiative - Oven Upgrade Various	0	0	0	0	0	0	0%	50	50	0	0%
TOTAL FINANCE, RESOURCES & CUSTOMER SERVICES BOARD	4,343	10,339	(600)	9,739	9,739	0	0%	24,372	24,372	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.