
To: Finance, Resources and Customer Services Policy Board

On: 14 September 2023

Report by: Director of Finance and Resources

Heading: Revenue and Capital Budget Monitoring as at 23 June 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 £1.055m (1.1%) 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 Annual Outturn £000 | Budget Variance £000 | Budget Variance % |
| Finance and Resources | 44,031 | 44,031 | 0 | 0.0% |
| Environment, Housing and Infrastructure | 21,260 | 22,315 | (1,055) | 5.0% |
| Miscellaneous Services | 33,208 | 33,208 | 0 | 0.0% |
| Total | 98,499 | 99,554 | (1,055) | 1.1% |

| Table 2: Capital | | | | |
|--|---|--|-------------------------------------|----------------------------------|
| Division | Revised Annual Budget £000 | Projected Annual Outturn £000 | Budget Variance £000 | Budget Variance % |
| Finance, Resources and Customer Services | 10,339 | 10,339 | 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 £1.055m (1.1% 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).

4. Revenue Budget Adjustments

- 4.1. Members are requested to note, from Appendix 1, that budget adjustments totalling **£0.833m** have been processed since the budget was approved in March 2023, with the main reasons as follows:
 - **+ £0.120m** added to Finance and Resources from Fairer Renfrewshire balances to fund new Customer Services Advice Works income advisers;
 - **+£0.112m** transferred into Finance and Resources from other services to Digital, Transformation and Customer Services, for various ICT support services; and
 - **+£142k** transferred into Public Building Repairs (Environment, Housing and Infrastructure) from other services for work on various properties.

- **+£0.460m** transferred into Miscellaneous Services relating to Marketing and Communications Right for Renfrewshire savings; and
- **+£0.634m** transferred into Miscellaneous Services from Finance and Resources relating to Right for Renfrewshire savings.

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 £10.339m (£9.982m approved).
- 5.2. The budget movement primarily results from reprofiling in the approved capital programme for the year, and grant awarded for the expansion of school meals. Further detail can be found at Appendix 2.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes totalling £0.357m have arisen, which reflect the following:
 - Budget carried forward from 2022/23 to 2023/24 (£3.007m):
 - ICT Infrastructure and Renewal (£0.186m);
 - Energy Efficiency Programme (£0.066m)
 - Lifecycle Capital Maintenance Fund (£1.290m);
 - Artificial Pitch Upgrades (£0.459m)
 - Digital Infrastructure Provision (£0.032m)
 - Community Empowerment Fund (£0.552m);
 - Villages Improvement Fund (£0.297m)
 - Retail Improvement Fund (£0.127m).
 - Budget Reallocation 2023/24 (-£0.300m):
 - Strategic Asset Management Fund (-£0.300m);
 - Budget decreases in 2023/24 (-£2.352m):
 - Reduction in capital grant in relation to free school meals expansion. This was included in the capital grant awarded in the original Finance Circular on which the 2023/24 budget was based; however, in the revised circular (3/2023) it was moved into funds still to be distributed, with confirmation awaited on the timing and value of the Council's allocation.

Implications of this report

1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an overspend of £1.055m (1.1%). 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.
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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

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 23 June 2023

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

| Objective Summary | Approved Annual Budget | Budget Adjustments | Revised Annual Budget at Period 3 | Projected Outturn | Budget Variance (Adverse) or Favourable | |
|---|---------------------------|-----------------------|---|----------------------|--|---------------|
| | £000 | £000 | £000 | £000 | £000 | % |
| Finance and Resources | 44,425 | (394) | 44,031 | 44,031 | 0 | 0.0% |
| Environment, Housing and Infrastructure | 21,121 | 139 | 21,260 | 22,315 | (1,055) | (5.0%) |
| Miscellaneous | 32,120 | 1,088 | 33,208 | 33,208 | 0 | 0.0% |
| NET EXPENDITURE | 97,666 | 833 | 98,499 | 99,554 | (1,055) | (1.1%) |

| Subjective Summary | Approved Annual Budget | Budget Adjustments | Revised Annual Budget at Period 3 | Projected Outturn | Budget Variance (Adverse) or Favourable | |
|------------------------------------|---------------------------|-----------------------|---|----------------------|--|---------------|
| | £000 | £000 | £000 | £000 | £000 | % |
| Employees | 101,328 | (18,214) | 83,114 | 83,876 | (762) | (0.9%) |
| Premises Related | 11,660 | 252 | 11,912 | 12,234 | (322) | (2.7%) |
| Transport Related | 2,127 | 0 | 2,127 | 2,410 | (283) | (13.3%) |
| Supplies and Services | 23,811 | 5,311 | 29,122 | 30,842 | (1,720) | (5.9%) |
| Third Party Payments | 1,970 | 0 | 1,970 | 1,948 | 22 | 1.1% |
| Transfer Payments | 41,569 | 16,444 | 58,013 | 58,029 | (16) | 0.0% |
| Support Services | 2,829 | (2,762) | 67 | 19 | 48 | 71.6% |
| Depreciation and Impairment Losses | 7,957 | 0 | 7,957 | 7,957 | 0 | 0.0% |
| GROSS EXPENDITURE | 193,251 | 1,031 | 194,282 | 197,315 | (3,033) | (1.6%) |
| Income | (95,585) | (198) | (95,783) | (97,761) | 1,978 | 2.1% |
| NET EXPENDITURE | 97,666 | 833 | 98,499 | 99,554 | (1,055) | (1.1%) |

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 23 June 2023

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

| Objective Summary | Approved Annual Budget | Budget Adjustments | Revised Annual Budget at Period 3 | Projected Outturn | Budget Variance (Adverse) or Favourable | |
|---|---------------------------|-----------------------|---|----------------------|--|-------------|
| | £000 | £000 | £000 | £000 | £000 | % |
| Finance and Resources Directorate | (924) | 0 | (924) | (966) | 42 | 4.5% |
| Audit Services | 630 | 0 | 630 | 626 | 4 | 0.6% |
| Corporate Governance | 3,421 | (210) | 3,211 | 3,166 | 45 | 1.4% |
| Digital, Transformation & Customer Services | 22,233 | (119) | 22,114 | 22,150 | (36) | (0.2%) |
| Finance and Procurement | 5,715 | (1) | 5,714 | 5,776 | (62) | (1.1%) |
| Business Services | 8,692 | (66) | 8,626 | 8,604 | 22 | 0.3% |
| Housing Benefits | 1,226 | 0 | 1,226 | 1,223 | 3 | 0.2% |
| People & Organisational Development | 2,580 | 0 | 2,580 | 2,600 | (20) | (0.8%) |
| Property Services | 34 | 2 | 36 | 36 | 0 | 0.0% |
| Social care (non-delegated) | 818 | 0 | 818 | 816 | 2 | 0.2% |
| NET EXPENDITURE | 44,425 | (394) | 44,031 | 44,031 | 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 23 June 2023

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

| Subjective Summary | Approved Annual Budget | Budget Adjustments | Revised Annual Budget at Period 3 | Projected Outturn | Budget Variance (Adverse) or Favourable | |
|------------------------------------|---------------------------|-----------------------|---|----------------------|--|--------------|
| | £000 | £000 | £000 | £000 | £000 | % |
| Employees | 37,411 | (72) | 37,339 | 37,651 | (312) | (0.8%) |
| Premises Related | 2,177 | 358 | 2,535 | 2,575 | (40) | (1.6%) |
| Transport Related | 137 | 0 | 137 | 113 | 24 | 17.5% |
| Supplies and Services | 10,440 | (85) | 10,355 | 10,414 | (59) | (0.6%) |
| Third Party Payments | 1,875 | 0 | 1,875 | 1,853 | 22 | 1.2% |
| Transfer Payments | 52,200 | 0 | 52,200 | 52,218 | (18) | 0.0% |
| Support Services | 894 | (397) | 497 | 447 | 50 | 10.1% |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 | 0 | 0.0% |
| GROSS EXPENDITURE | 105,134 | (196) | 104,938 | 105,271 | (333) | 25.8% |
| Income | (60,709) | (198) | (60,907) | (61,240) | 333 | 0.5% |
| NET EXPENDITURE | 44,425 | (394) | 44,031 | 44,031 | 0 | 0.0% |

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 23 June 2023

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

| Objective Summary | Approved Annual Budget | Budget Adjustments | Revised Annual Budget at Period 3 | Projected Outturn | Budget Variance (Adverse) or Favourable | |
|-------------------------------------|------------------------|--------------------|-----------------------------------|-------------------|---|---------------|
| | £000 | £000 | £000 | £000 | £000 | % |
| Building Services | (472) | 0 | (472) | (472) | 0 | 0.0% |
| Street Lighting Maintenance Work | 382 | 0 | 382 | 522 | (140) | (36.6%) |
| Public Building Repairs | 3,851 | 142 | 3,993 | 3,993 | 0 | 0.0% |
| Soft Facilities Management Services | 17,360 | (3) | 17,357 | 18,272 | (915) | (5.3%) |
| NET EXPENDITURE | 21,121 | 139 | 21,260 | 22,315 | (1,055) | (5.0%) |

| Objective Heading | Key Reasons for Significant Projected Variances |
|-------------------------------------|---|
| Building Services | The service is currently forecast to break even this year; however, it is recognised that costs are under considerable pressure from supply price increases. This will affect the Housing Revenue Account and Public Building Repairs as the two main recharges of Building Services costs. |
| 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. |
| Public Building Repairs | The service is currently forecast to breakeven this year however it is recognised that costs are 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 | There is an anticipated overspend forecast for the service. This is largely due to an under-recovery of income, inflationary pressure on the cost of provisions and cleaning materials, which is all partially offset by vacancies across the service. A review of income is underway to ascertain the impact that service changes has had on the income budget and associated income recovery. |

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 23 June 2023

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

| Subjective Summary | Approved Annual Budget | Budget Adjustments | Revised Annual Budget at Period 3 | Projected Outturn | Budget Variance (Adverse) or Favourable | |
|------------------------------------|---------------------------|-----------------------|---|----------------------|--|---------------|
| | £000 | £000 | £000 | £000 | £000 | % |
| Employees | 27,943 | 0 | 27,943 | 28,393 | (450) | (1.6%) |
| Premises Related | 3,101 | 139 | 3,240 | 3,522 | (282) | (8.7%) |
| Transport Related | 1,590 | 0 | 1,590 | 1,897 | (307) | (19.3%) |
| Supplies and Services | 9,448 | 0 | 9,448 | 11,109 | (1,661) | (17.6%) |
| Third Party Payments | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Transfer Payments | 110 | 0 | 110 | 108 | 2 | 1.8% |
| Support Services | 970 | 0 | 970 | 972 | (2) | (0.2%) |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 | 0 | 0.0% |
| GROSS EXPENDITURE | 43,162 | 139 | 43,301 | 46,001 | (2,700) | (6.2%) |
| Income | (22,041) | 0 | (22,041) | (23,686) | 1,645 | 7.5% |
| NET EXPENDITURE | 21,121 | 139 | 21,260 | 22,315 | (1,055) | (5.0%) |

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 23 June 2023

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

| Subjective Summary | Approved Annual Budget | Budget Adjustments | Revised Annual Budget at Period 3 | Projected Outturn | Budget Variance (Adverse) or Favourable | |
|------------------------------------|---------------------------|-----------------------|---|----------------------|--|-------------|
| | £000 | £000 | £000 | £000 | £000 | % |
| Employees | 35,974 | (18,142) | 17,832 | 17,832 | 0 | 0.0% |
| Premises Related | 6,382 | (245) | 6,137 | 6,137 | 0 | 0.0% |
| Transport Related | 400 | 0 | 400 | 400 | 0 | 0.0% |
| Supplies and Services | 3,923 | 5,396 | 9,319 | 9,319 | 0 | 0.0% |
| Third Party Payments | 95 | 0 | 95 | 95 | 0 | 0.0% |
| Transfer Payments | (10,741) | 16,444 | 5,703 | 5,703 | 0 | 0.0% |
| Support Services | 965 | (2,365) | (1,400) | (1,400) | 0 | 0.0% |
| Depreciation and Impairment Losses | 7,957 | 0 | 7,957 | 7,957 | 0 | 0.0% |
| GROSS EXPENDITURE | 44,955 | 1,088 | 46,043 | 46,043 | 0 | 0.0% |
| Income | (12,835) | 0 | (12,835) | (12,835) | 0 | 0.0% |
| NET EXPENDITURE | 32,120 | 1,088 | 33,208 | 33,208 | 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. Budget adjustments between Employee Costs, Supplies and Services and Transfer Payments arose from a review of appropriate coding within the ledger. |

RENFREWSHIRE COUNCIL
 CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
 1st April to 23rd June 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 | Approved Budget 2023-24 £000 | Budget Adjustments in 2023-24 £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 Outturn to 31-Mar-27 £000 | Budget Variance (Adverse) or Favourable | |
| | | | | | | | | | | | |
| CORPORATE PROJECTS | | | | | | | | | | | |
| ICT Infrastructure Maintenance & Renewal Programme | 0 | 1,730 | 186 | 1,916 | 1,916 | 0 | 0% | 3,516 | 3,516 | 0 | 0% |
| Strategic Asset Management Fund | 0 | 300 | (300) | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% |
| Energy Efficiency Programme | 0 | 0 | 66 | 66 | 66 | 0 | 0% | 66 | 66 | 0 | 0% |
| Lifecycle Capital Maintenance (LCM) Fund | 0 | 7,352 | (1,062) | 6,290 | 6,290 | 0 | 0% | 14,179 | 14,179 | 0 | 0% |
| Artificial Pitch Upgrades | 741 | 600 | 459 | 1,059 | 1,059 | 0 | 0% | 1,800 | 1,800 | 0 | 0% |
| Digital Infrastructure Provision | 1,904 | 0 | 32 | 32 | 32 | 0 | 0% | 1,936 | 1,936 | 0 | 0% |
| Community Empowerment Fund | 399 | 0 | 552 | 552 | 552 | 0 | 0% | 951 | 951 | 0 | 0% |
| Greenspaces and Parks | 1,223 | 0 | 0 | 0 | 0 | 0 | 0% | 1,223 | 1,223 | 0 | 0% |
| Villages Improvement Fund | 53 | 0 | 297 | 297 | 297 | 0 | 0% | 550 | 550 | 0 | 0% |
| Retail Improvement Fund | 23 | 0 | 127 | 127 | 127 | 0 | 0% | 150 | 150 | 0 | 0% |
| CO2 Monitors | 233 | 0 | 0 | 0 | 0 | 0 | 0% | 233 | 233 | 0 | 0% |
| TOTAL FINANCE, RESOURCES & CUSTOMER SERVICES BOARD | 4,576 | 9,982 | 357 | 10,339 | 10,339 | 0 | 0% | 24,604 | 24,604 | 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.