
To: Leadership Board

On: 28 April 2021

Report by: Chief Executive, Director of Finance and Resources, and Chief Finance Officer Renfrewshire HSCP

Heading: Revenue and Capital Budget Monitoring as at 08 January 2021

1. Summary of Financial Position

- 1.1. The table below outlines the projected Revenue and Capital outturn positions as at 31 March 2021 across all services reported to the Leadership Board. Further analysis on the expected variances for each service is provided in the Appendices to this report.
- 1.2. 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 £000	Budget Variance %
Adult Services	72,259	69,429	0	69,429	2,830	3.9%
Chief Executives	21,224	21,629	555	22,184	(960)	(4.5%)
CHAPS (Paisley Legacy)	415	415	0	415	0	0.0%

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 %
Chief Executives	£25,115	£25,115	£0	£25,115	£0	0%
Leisure Services	£1,095	£1,095	£0	£1,095	£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 underspend of £1.870m (2.0% of total budget) for all services reporting to this Policy Board. Detailed division service reports can be found in Appendix 2, 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 reasons for the projected outturn position are indicated in the appendices showing both the subjective analysis (what the budget is spent on) and the objective analysis (which division is spending the budget).
- 3.4. The most significant areas to bring to member's attention relate to the projected impact of the COVID19 on both Renfrewshire Leisure and the HSCP:
 - RL remain heavily impacted by the national and local restrictions implemented by the Scottish Government in response to the COVID crisis. It is anticipated that over the remainder of 2020/21 RL will continue to experience operational restrictions with resulting reduced revenue generation. It is forecast that over the course of 2020/21 the Council could be required to provide RL with up to an additional £1.5m of financial support and this is reflected within the reported figures. RL continues to try and mitigate this position.

- Within adult services managed by Renfrewshire HSCP, the service has been required to take unprecedented measures in response to the coronavirus pandemic, including substantial levels of support to external care providers in order to ensure their ongoing financial sustainability. As at period 10, the service estimates that costs of £8.2m will be incurred specifically in relation to COVID-19 by the end of the financial year, with approximately £6.2m of this cost being related to financial sustainability payments to private adult and elderly care providers. The Scottish Government has provided confirmation that all reasonable additional costs associated specifically with the crisis will be fully funded and funding is flowing to HSCP's on this basis. In this context, additional costs specifically relating to the COVID response is not therefore included within this report on the clear expectation of these costs being funded directly by the Scottish Government. Outwith COVID19 specific costs, the service is forecasting a £2.83m underspend on core service provision primarily due to vacancies across a range of service areas. The outturn year end underspend will be incorporated into IJB reserves and this forecasted year end position will be taken into account in the financial planning arrangements for 2021/22 operating between the Council and the HSCP.

4. Revenue Budget Adjustments

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.080m have been processed since the last report. These related mainly to:
 - £0.080m transfer of funding from the Chief Executives Service to the Change Fund to progress work on the digital strategy.

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 3 indicates movement in the approved capital programme for the Chief Executive's Service for the year of £6.866m which is explained further below.
- 5.3. For Leisure Services the approved capital spend for 2020/21 is £1.095m.
- 5.4. The Capital Monitoring report at Appendix 3 indicates no change in the approved capital programme for Leisure Services, with the programme expected to continue in line with projected timescales at this stage.
- 5.5. Further detail, including reasons for significant variances, can be found at Appendix 3.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes in totalling £6.866m have arisen which reflect the following:

Budget Carried Forward to 2021-22 from 2020-21 (£6.866m) due to continuing amendments to programme timescales arising as a result of the Covid-19 pandemic:

- City Deal Related Projects – AMIDS: Public Realm Phase 1 (£0.565m)
 - Paisley Venues & Town Centre Infrastructure (£3.829m);
 - Town Centre Capital Fund (£2.250m);
 - THI/CARS 2 (£0.222m).
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Implications of this report

1. **Financial** – The projected budget outturn position for Leadership Board Revenue budget is an underspend of £1.870m. Income and expenditure will continue to be monitored closely for the rest of the financial year and, where necessary, steps will be taken to mitigate any overspend.

The projected outturn position for Leadership Board Capital budget is breakeven. 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**
Capital projects will result in new assets (City Deal) and refurbishment and improvement to Cultural Infrastructure and Public Realm assets.

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.

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 to 2022/23
Council, 9th March 2020.

Author: Valerie Howie, Revenue
 Geoff Borland, Capital

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : LEADERSHIP BOARD

Objective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Adult Services	72,259	0	72,259	69,429	0	69,429	2,830	3.9%	1,971	859
Chief Executive's Service	21,304	(80)	21,224	21,629	555	22,184	(960)	(4.5%)	(2,050)	1,090
CHAPS (Paisley Legacy)	415	0	415	415	0	415	0	0.0%	0	0
NET EXPENDITURE	93,978	(80)	93,898	91,473	555	92,028	1,870	2.0%	(79)	1,949

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	40,862	987	41,849	39,889	(100)	39,789	2,060	4.9%	995	1,065
Premises Related	895	159	1,054	953	0	953	101	9.6%	(103)	204
Transport Related	842	0	842	598	0	598	244	29.0%	200	44
Supplies and Services	14,535	793	15,328	14,751	615	15,366	(38)	(0.2%)	(1,928)	1,890
Third Party Payments	68,774	(1,051)	67,723	60,575	0	60,575	7,148	10.6%	7,740	(592)
Transfer Payments	5,899	858	6,757	6,698	0	6,698	59	0.9%	(635)	694
Support Services	116	0	116	93	0	93	23	19.8%	11	12
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	131,923	1,746	133,669	123,557	515	124,072	9,597	7.2%	6,280	3,317
Income	(37,945)	(1,826)	(39,771)	(32,084)	40	(32,044)	(7,727)	(19.4%)	(6,359)	(1,368)
NET EXPENDITURE	93,978	(80)	93,898	91,473	555	92,028	1,870	2.0%	(79)	1,949

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Objective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Older People	46,111	0	46,111	44,216	0	44,216	1,895	4.1%	1,709	186
Physical or Sensory Difficulties	6,565	0	6,565	6,695	0	6,695	(130)	(2.0%)	(300)	170
Learning Difficulties	16,024	0	16,024	15,570	0	15,570	454	2.8%	30	424
Mental Health Needs	2,879	0	2,879	2,355	0	2,355	524	18.2%	468	56
Addiction Services	680	0	680	593	0	593	87	12.8%	64	23
NET EXPENDITURE	72,259	0	72,259	69,429	0	69,429	2,830	3.9%	1,971	859

Objective Heading	Key Reasons for Projected Variance
Older People	Underspends in employee costs reflecting vacancies due to recruitment issues. Under occupancy in external care homes due to COVID pandemic.
Physical or Sensory Difficulties	The overspend within PD is mainly due to pressures on the Adult placement budget reflecting the impact of increasing demand and SDS.
Mental Health Needs	Underspends in employee costs reflecting vacancies due to recruitment issues.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	32,239	987	33,226	31,287		31,287	1,939	5.8%	914	1,025
Premises Related	353	159	512	356		356	156	30.5%	(44)	200
Transport Related	840	0	840	596		596	244	29.0%	200	44
Supplies and Services	1,735	873	2,608	1,716		1,716	892	34.2%	33	859
Third Party Payments	68,656	(1,051)	67,605	60,457		60,457	7,148	10.6%	7,741	(593)
Transfer Payments	2,419	858	3,277	2,442		2,442	835	25.5%	(18)	853
Support Services	70	0	70	59		59	11	15.7%	12	(1)
Depreciation and Impairment Losses	0	0	0	0		0	0	0.0%	0	0
GROSS EXPENDITURE	106,312	1,826	108,138	96,913	0	96,913	11,225	10.4%	8,838	2,387
Income	(34,053)	(1,826)	(35,879)	(27,484)		(27,484)	(8,395)	(23.4%)	(6,867)	(1,528)
NET EXPENDITURE	72,259	0	72,259	69,429	0	69,429	2,830	3.9%	1,971	859

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Obbjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive and Management	366	0	366	365	10	375	(9)	(2.5%)	(14)	5
Policy and Commissioning	4,734	0	4,734	4,895	(35)	4,860	(126)	(2.7%)	(161)	35
Marketing and Communications	2,886	(80)	2,806	2,675	(945)	1,730	1,076	38.3%	825	251
City Deal	0	0	0	0	0	0	0	0.0%	0	0
Regeneration and Economic Development	2,278	0	2,278	2,653	25	2,678	(400)	(17.6%)	(399)	(1)
Leisure Services (incl Renfrewshire Leisure)	11,040	0	11,040	11,041	1,500	12,541	(1,501)	(13.6%)	(2,301)	800
NET EXPENDITURE	21,304	(80)	21,224	21,629	555	22,184	(960)	(4.5%)	(2,050)	1,090

Objective Heading	Key Reasons for Projected Variance
Policy and Commissioning	The adverse variance represents the net effect of a reduction in employee costs due to staff turnover and staff on parenting leave which will assist in funding an element of the costs incurred in responding to the COVID-19 pandemic, set against expenditure on strategic investment projects for Public Wifi, Tackling Poverty and the Community Empowerment Fund which will be funded by a further drawdown from earmarked reserves as required.
Marketing and Communications	The favourable variance has arisen as a result of the net reduction in costs from the cancellation of the Renfrewshire Council events programme for 2020, together with a reduction in employee costs due to staff turnover and staff on parenting leave.
Regeneration and Economic Development	The adverse variance reflects the costs of studies commissioned to assist in determining the impact on the Renfrewshire economy of COVID-19 together with the cost of irrecoverable grant due to staff redeployment and the expected drawdown from earmarked reserves to fund the projected revenue costs associated with the Cultural Infrastructure Programme.
Leisure Services (incl Renfrewshire Leisure)	The projected costs of supporting Renfrewshire Leisure with a revised level of requisition as a result of the net impact of income loss and decreased costs incurred as a result of the closure of facilities during the lockdown period.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	8,459	0	8,459	8,487	(100)	8,387	72	0.9%	34	38
Premises Related	542	0	542	597	0	597	(55)	(10.1%)	(59)	4
Transport Related	2	0	2	2	0	2	0	0.0%	0	0
Supplies and Services	12,800	(80)	12,720	12,954	615	13,569	(849)	(6.7%)	(1,887)	1,038
Third Party Payments	118	0	118	118	0	118	0	0.0%	(1)	1
Transfer Payments	3,229	0	3,229	4,006	0	4,006	(777)	(24.1%)	(618)	(159)
Support Services	46	0	46	34	0	34	12	26.1%	(1)	13
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	25,196	(80)	25,116	26,198	515	26,713	(1,597)	(6.4%)	(2,532)	935
Income	(3,892)	0	(3,892)	(4,569)	40	(4,529)	637	16.4%	482	155
NET EXPENDITURE	21,304	(80)	21,224	21,629	555	22,184	(960)	(4.5%)	(2,050)	1,090

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : LEADERSHIP BOARD - CHAPS (PAISLEY LEGACY)

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	164	0	164	115	0	115	49	29.9%	47	2
Premises Related	0	0	0	0	0	0	0	0.0%	0	0
Transport Related	0	0	0	0	0	0	0	0.0%	0	0
Supplies and Services	0	0	0	81	0	81	(81)	0.0%	(74)	(7)
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	251	0	251	250	0	250	1	0.4%	1	0
Support Services	0	0	0	0	0	0	0	0.0%	0	0
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	415	0	415	446	0	446	(31)	(7.5%)	(26)	(5)
Income	0	0	0	(31)	0	(31)	31	0.0%	26	5
NET EXPENDITURE	415	0	415	415	0	415	0	0.0%	0	0

Subjective Heading	Key Reasons for Projected Variance
Employees	Projected underspend in employee costs is due to a vacant post within team
Supplies and Services	Projected overspend relates to use of consultants to support delivery of programme/projects
Income	Projected to be over-recovered in income reflecting contributions made to the Council's Paisley Legacy programme from funding partners

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 18th September 2020
POLICY BOARD: LEADERSHIP

Project Title	Prior Years Expenditure to 31/03/2020*	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21	Budget Adjustments in 2020-21	Revised Budget 2020-21	Projected Outturn 2020-21	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-25	Projected Outturn to 31-Mar-25	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000			£000	£000		
LEISURE SERVICES											
Leisure Investment Programme	52,266	334	0	334	334	0	0%	52,600	52,600	0	0%
Grass Pitches & Changing Facilities	3,564	637	0	637	637	0	0%	4,201	4,201	0	0%
Community Halls Refurbishment	19	124	0	124	124	0	0%	2,536	2,536	0	0%
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	500	500	0	0%
Total Leisure Services	55,849	1,095	0	1,095	1,095	0	0%	59,837	59,837	0	0%
CHIEF EXECUTIVES											
City Deal Projects											
Glasgow Airport Investment Area	21,931	15,340	563	15,903	15,903	0	0%	38,944	38,944	0	0%
Clyde Waterfront & Renfrew Riverside	15,116	17,921	-16,203	1,718	1,718	0	0%	82,848	82,848	0	0%
Airport Access	2,934	1,202	-1,202	0	0	0	0%	96,346	96,346	0	0%
City Deal Related Projects											
GAIA Regeneration	0	2,000	0	2,000	2,000	0	0%	5,500	5,500	0	0%
AMIDS: Public Realm Phase 1 Netheron Square	89	2,277	-2,125	152	152	0	0%	2,983	2,983	0	0%
Paisley Venues & Town Centre Infrastructure											
Paisley Art Centre Redevelopment	233	400	-393	7	7	0	0%	2,800	2,800	0	0%
Paisley Town Hall Redevelopment	1,613	3,366	-2,193	1,173	1,173	0	0%	22,650	22,650	0	0%
Flexible Outdoor Facility/Travel & Accessibility Infrastru	266	2,519	-2,415	104	104	0	0%	9,700	9,700	0	0%
Playing Fields and Sports Development	392	1,404	-1,249	155	155	0	0%	7,500	7,500	0	0%
Paisley Museum	5,979	5,616	-4,351	1,265	1,265	0	0%	42,500	42,500	0	0%
Town Centre Capital Fund	329	1,333	-203	1,130	1,130	0	0%	3,709	3,709	0	0%
Paisley Learning & Cultural Hub	1,593	2,802	-2,219	583	583	0	0%	7,000	7,000	0	0%
Retail Improvement Fund	0	0	100	100	100	0	0%	100	100	0	0%
Townscape Heritage CARS 2	911	2,285	-1,460	825	825	0	0%	4,099	4,099	0	0%
Total Chief Executives	51,386	58,465	(33,350)	25,115	25,115	0	0%	326,679	326,679	0	0%
TOTAL LEADERSHIP BOARD	107,235	59,560	(33,350)	26,210	26,210	0	0%	386,516	386,516	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.

Objective Heading	Key Reasons for Potential Variance
City Deal Projects/City Deal Related Projects	The programme has been delayed as a result of the Covid-19 pandemic with net projected expenditure of £18.967m slipping into future years to reflect revised timescales.
Paisley Venues & Town Centres Infrastructure	As as result of the Covid-19 pandemic, a total £12.820m of programmed expenditure has been reprofiled into future years to reflect revised timescales.
Town Centre Capital Fund	£2.250m of the additional funding approved by Council on March 9th has been reprofiled into 2020-21 in order to prioritise expenditure for the grant awarded by Scottish Government which requires to be fully committed by 31 March 2021.