

To: Finance, Resources and Customer Services Policy Board

On: 2 February 2022

Report by: Acting Director of Finance and Resources

Heading: Revenue and Capital Budget Monitoring as at 12 November 2021

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2022 for Finance, Resources and Customer Services is an overspend position of £0.592m (0.6%) against the revised budget for the year.
- 1.2. The projected Capital outturn at 31 March 2022 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 2021/22, 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	£35,742	£35,231	£451	£35,682	£60	-0.2%
Environment and Infrastructure	£18,077	£17,890	£839	£18,729	(£652)	3.6%
Miscellaneous	£38,993	£38,993	£0	£38,993	£0	0.0%
Total	£92,812	£92,114	£1,290	£93,404	(£592)	0.6%

Table 2: Capital						
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, Resources and Customer Services, including Environment and Infrastructure	£5,062	£5,062	£0	£5,062	£0	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 £0.592m (0.6% of total budget) for Finance, Resources and Customer Services. Detailed division service reports can be found at the end of this report, 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 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 £0.383m have been processed since the last report. The majority of these adjustments (£0.400m) were in Miscellaneous Services and related to COVID-19 funding made available by the Scottish Government that is held centrally and not yet allocated to services.

5. Capital

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4 March 2021. For Finance, Resources and Customer Services the approved capital spend for 2021/22 is £5.062m (£6.703m at Period 6).
- 5.2. The budget movement results from reprofiling in the approved capital programme for Finance, Resources and Customer Services for the year, of £1.641m. This arises from updated cashflows for ICT Infrastructure and Lifecycle Capital Maintenance. Further detail can be found at Appendix 2.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes totalling £1.641m have arisen, which reflect the following:
 - Budget carried forward from 2021/22 to 2022/23 (£1.541m):
 - ICT Infrastructure and Renewal (£0.286m) to reflect revised delivery dates for digital community alarms.
 - Lifecycle Capital Maintenance Budget (£1.255m) due to updated cashflows received for various energy efficiency, roof replacement and rewiring projects expected to be completed over summer 2022
 - Budget Transfer in 2021/22 (£0.100m)
 - Greenspaces and Parks (£0.100m) for award of funding within the Environment and Infrastructure Parks Improvement Programme for Maxwellton and Lochwinnoch Play Parks.

Implications of this report

1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an overspend of £0.592m. 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.

List of Background Papers

Revenue Budget and Council Tax 2021/22. Council, 4th March 2021.

Non-Housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2021/22 – 2025/26. Council, 4th March 2021.

Authors: Christine McCourt / Kevin Festorazzi / Geoff Borland

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 12 November 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Objective Summary	Revised Annual Budget at P6	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
Finance and Resources	35,769	(27)	35,742	35,231	451	35,682	60	0.2%	55	5
Environment and Infrastructure	18,067	10	18,077	17,890	839	18,729	(652)	(3.6%)	(615)	(37)
Miscellaneous	38,593	400	38,993	38,993	0	38,993	0	0.0%	0	0
NET EXPENDITURE	92,429	383	92,812	92,114	1,290	93,404	(592)	(0.6%)	(560)	(32)

Subjective Summary	Revised Annual Budget at P6	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	83,809	213	84,022	84,070	847	84,917	(895)	(1.1%)	(308)	(587)
Premises Related	8,649	(17)	8,632	8,621	0	8,621	11	0.1%	23	(12)
Transport Related	1,280	(7)	1,273	1,616	0	1,616	(343)	(26.9%)	(233)	(110)
Supplies and Services	19,955	12	19,967	20,389	(70)	20,319	(352)	(1.8%)	(287)	(65)
Third Party Payments	1,904	1	1,905	1,900	0	1,900	5	0.3%	5	0
Transfer Payments	52,005	227	52,232	52,380	0	52,380	(148)	(0.3%)	(184)	35
Support Services	5,639	(6)	5,633	5,591	0	5,591	42	0.7%	47	(6)
Depreciation and Impairment Losses	14,807	0	14,807	14,807	0	14,807	0	0.0%	0	0
GROSS EXPENDITURE	188,049	422	188,471	189,374	777	190,151	(1,680)	(0.9%)	(936)	(744)
Income	(95,620)	(39)	(95,659)	(97,260)	513	(96,747)	1,088	1.1%	376	712
NET EXPENDITURE	92,429	383	92,812	92,114	1,290	93,404	(592)	(0.6%)	(560)	(32)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 12 November 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Objective Summary	Revised Annual Budget at P6	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn	Movement
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Finance and Resources Directorate	(359)	0	(359)	(363)	0	(363)	4	1.1%	78	(74)
Corporate Governance	3,050	0	3,050	2,852	29	2,881	169	5.5%	102	67
Finance Services	3,412	0	3,412	3,398	0	3,398	14	0.4%	122	(108)
ICT Services	10,291	3	10,294	10,003	0	10,003	291	2.8%	175	116
HR, OD and Workforce Strategy	2,754	0	2,754	2,825	0	2,825	(71)	(2.6%)	(71)	0
Customer and Business Services	13,667	(30)	13,637	13,540	164	13,704	(67)	(0.5%)	(152)	85
Housing Benefits	1,659	0	1,659	1,759	0	1,759	(100)	(6.0%)	(100)	0
Property Services	(133)	0	(133)	(134)	0	(134)	1	0.8%	0	1
Social care (non-delegated)	818	0	818	756	0	756	62	7.6%	56	6
Change Fund	20	0	20	20	258	278	(258)	(1290.0%)	(170)	(88)
Finance projects	0	0	0	0	0	0	0	0.0%	0	0
Audit Services	590	0	590	575	0	575	15	2.5%	15	0
NET EXPENDITURE	35,769	(27)	35,742	35,231	451	35,682	60	0.2%	55	5

Objective Heading	Key Reasons for Significant Projected Variances
Corporate Governance	COVID-19 projection relates to reduced income in the Registration and Licensing functions, primarily due to a decrease in the number of weddings taking place, and a reduction in the number of taxi licences being applied for.
ICT Services	Projected underspend is primarily due to software cost savings. Anticipated overspends in telephony costs are offset by staff savings due to vacancies.
HR, OD and Workforce Strategy	It is anticipated that HR will overspend on staffing costs due to ongoing budget pressures.
Customer and Business Services	COVID-19 projection arises from Customer and Business staff overtime as well as non-staffing equipment and supplies associated with service adaptations to the pandemic across all of Finance and Resources.
Housing Benefits	An overspend is projected in relation to overpayments of Housing Benefits, based on prior year trends.
Change Fund	COVID-19 projection arises from additional staff costs and overtime across Finance and Resources that has been necessary in order to effectively respond to the pandemic.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 12 November 2021

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

Subjective Summary	Revised Annual Budget at P6	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	32,109	212	32,321	32,749	238	32,987	(666)	(2.1%)	(800)	134
Premises Related	2,670	(27)	2,643	2,589	0	2,589	54	2.0%	66	(12)
Transport Related	83	(7)	76	47	0	47	29	38.2%	33	(4)
Supplies and Services	9,068	(174)	8,894	8,281	20	8,301	593	6.7%	576	17
Third Party Payments	1,652	0	1,652	1,648	0	1,648	4	0.2%	4	0
Transfer Payments	51,331	14	51,345	51,455	0	51,455	(110)	(0.2%)	(152)	42
Support Services	573	(5)	568	517	0	517	51	9.0%	66	(15)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	97,487	12	97,499	97,286	258	97,544	(45)	53.8%	(207)	162
Income	(61,718)	(39)	(61,757)	(62,055)	193	(61,862)	105	0.2%	262	(157)
NET EXPENDITURE	35,769	(27)	35,742	35,231	451	35,682	60	0.2%	55	5

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 12 November 2021

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

Objective Summary	Revised Annual Budget at P6	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
Building Services	(265)	0	(265)	(61)	186	125	(390)	147.0%	(365)	(25)
Street Lighting Maintenance Work	373	0	373	535	0	535	(162)	(43.4%)	(165)	3
Public Building Repairs	3,803	12	3,815	3,815	0	3,815	0	0.0%	0	0
Soft Facilities Management Services	14,156	(2)	14,154	13,601	653	14,254	(100)	(0.7%)	(85)	(15)
NET EXPENDITURE	18,067	10	18,077	17,890	839	18,729	(652)	(3.6%)	(615)	(37)

Objective Heading	Key Reasons for Significant Projected Variances
Building Services	The price of materials have increased significantly, due to supply issues because of the ongoing pandemic. In addition the service is having to hire significant numbers of vehicles, due to the increased downtime of the ageing fleet. The cost of both materials and vehicle hire is fluctuating significantly, and the costs of both may increase as the year progresses.
Street Lighting Maintenance Work	There is a projected overspend on repairs and maintenance of the street lighting columns, due to increased cost of materials, which will be monitored closely throughout the year.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 12 November 2021

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

Subjective Summary	Revised Annual Budget at P6	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	24,194	0	24,194	23,815	609	24,424	(230)	(1.0%)	490	(720)
Premises Related	3,258	11	3,269	3,311	0	3,311	(42)	(1.3%)	(42)	(0)
Transport Related	1,185	0	1,185	1,557	0	1,557	(372)	(31.4%)	(266)	(106)
Supplies and Services	9,020	(1)	9,019	10,053	(90)	9,963	(944)	(10.5%)	(863)	(81)
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	4	0	4	43	0	43	(39)	(978.4%)	(31)	(9)
Support Services	1,074	0	1,074	1,082	0	1,082	(8)	(0.8%)	(18)	9
Depreciation and Impairment Losses	0	0	0	(0)	0	(0)	0	0.0%	0	0
GROSS EXPENDITURE	38,735	10	38,745	39,861	519	40,380	(1,635)	(4.2%)	(729)	(906)
Income	(20,668)	0	(20,668)	(21,971)	320	(21,651)	983	4.8%	114	869
NET EXPENDITURE	18,067	10	18,077	17,890	839	18,729	(652)	(3.6%)	(615)	(37)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 12 November 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

Subjective Summary	Revised Annual Budget at P6	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	27,506	0	27,506	27,506	0	27,506	0	0.0%	0	0
Premises Related	2,721	0	2,721	2,721	0	2,721	0	0.0%	0	0
Transport Related	12	0	12	12	0	12	0	0.0%	0	0
Supplies and Services	1,867	188	2,055	2,055	0	2,055	0	0.0%	0	0
Third Party Payments	252	0	252	252	0	252	0	0.0%	0	0
Transfer Payments	670	212	882	882	0	882	0	0.0%	0	0
Support Services	3,992	0	3,992	3,992	0	3,992	0	0.0%	0	0
Depreciation and Impairment Losses	14,807	0	14,807	14,807	0	14,807	0	0.0%	0	0
GROSS EXPENDITURE	51,827	400	52,227	52,227	0	52,227	0	0.0%	0	0
Income	(13,234)	0	(13,234)	(13,234)	0	(13,234)	0	0.0%	0	0
NET EXPENDITURE	38,593	400	38,993	38,993	0	38,993	0	0.0%	0	0

Subjective Heading	Key Reasons for Significant Projected Variances
Budget Adjustments	The net budget adjustment of £0.4m relates to the receipt of COVID-19 funding from the Scottish Government not yet allocated to services.

RENFREWSHIRE COUNCIL
CAPITAL BUDGET MONITORING STATEMENT 2021/2022
1 April 2021 to 12 November 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Project Title	Current Year 2021/22							Full Programme - All years			
	Prior Years Expenditure to 31/03/2021*	Approved Budget 2021/22	Budget Adjustments 2021/22	Revised Budget 2021/22	Projected Outturn 2021/22	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31 March 2026	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	1,955	147	2,102	2,102	0	0%	3,988	3,988	0	0%
Strategic Asset Management Fund	0	2,500	(2,500)	0	0	0	0%	0	0	0	0%
Energy Efficiency Programme	0	147	(102)	45	45	0	0%	147	147	0	0%
Lifecycle Capital Maintenance (LCM) Fund	0	5,663	(3,734)	1,929	1,929	0	0%	9,852	9,852	0	0%
Digital Infrastructure Provision	1,936	300	(300)	0	0	0	0%	1,936	1,936	0	0%
Community Empowerment Fund	124	534	0	534	534	0	0%	951	951	0	0%
Greenspaces and Parks	396	442	(140)	302	302	0	0%	936	936	0	0%
Villages Improvement Fund	0	150	0	150	150	0	0%	150	150	0	0%
TOTAL	2,456	11,691	(6,629)	5,062	5,062	0	0%	17,960	17,960	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.

Objective Heading	Key Reasons for Significant Projected Variances