

To: Infrastructure, Land and Environment Policy Board

On: 15 March 2023

Report by: Director of Finance & Resources and Director of Environment & Infrastructure

Heading: Revenue and Capital Budget Monitoring as at 6 January 2023

1. Summary of Financial Position

1.1. The projected Revenue outturn as at 31 March 2023 for Infrastructure, Land and Environment is an overspend position of £2.402m (7.3%) against the revised budget for the year.

1.2. The projected Capital outturn as at 31 March 2023 for Infrastructure, Land and Environment is a breakeven position for the year.

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 %
Environment & Infrastructure	32,755	35,157	(2.402)	(7.3%)

Table 2: Capital

Division	Revised Annual Budget £000	Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Environment & Infrastructure	18,416	18,416	0	0.0%

2. Recommendations

Members are requested to:

- 2.1. Note the projected Revenue outturn position as detailed in Table 1 above, considering that the forecast position is based on best estimates at this time;
- 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.

3. Revenue

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £2.402m (7.3% 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. The main reasons for the projected outturn position are indicated below.
- 3.4. It should also be noted that additional expenditure has been incurred as a result of the additional tree management work that is currently being carried out by the Streetscene team and it is the intention that a further detailed report will be presented to board at a later date providing background information including the estimated financial costs that may be incurred.

4. Revenue Budget Adjustments

- 4.1. The budget adjustments actioned between reporting periods were in the main in relation to an increase in employee costs budget as a result of the recent pay award. In addition, a drawdown from reserves was actioned (Environment and Place (£500k) and Memorial Safety (£360k).

5. Capital

- 5.1. The Capital Investment Programme 2022/23 to 2026/27 was approved by the Council on 3 March 2022.
- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £0.733m, of which £3.215m have occurred

since the last board report at Period 8. This largely reflects updated cash flows for various projects in 2022/23.

- 5.3. The projected outturn at 31 March 2023 is a breakeven position. Further detail, including reasons for significant variances, can be found at Appendix 2.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes of £3.215m have arisen which reflect the following:

Budget Increases in 2022/23 (£0.248m) for grant awarded in the following projects:

- Flooding (£0.248m) reflecting grant awarded by the Scottish Government in 2022/23;

Budget brought forward from 2023/24 into 2022/23 (£0.070m) for the following projects:

- Bridge Assessment/Strengthening (£0.070m) due to timing of planned work being accelerated;

Budget reprofiled from 2022/23 into 2023/24 (£3.533m) for the following projects:

- Roads/Footways Programme (£2.448m) largely as a result of expected timings of footways programme;
- Vehicle Replacement Programme (£0.085m) to reflect updated delivery times for vehicles;
- Core Pathways & Cycle Network (£0.064m) for timing of planned work expected in early 2023/24;
- Park Improvement Programme (£0.063m) for updated cash flows received for the project;
- Improvements to Outdoor Access (£0.161m) for various sites expected to complete in early 2023/24;
- Multi Purpose Bins (£0.020m) due to expected delivery dates for completion of the project;
- Improvement to Cemetery Estate (£0.305m) to reflect expected timing of tender for planned work at Hawkhead Cemetery;
- Nature Restoration Fund (£0.387m) as planned work is required to be carried out over the summer months when the weather/climate are in more favourable conditions.

Budget transfers in 2022/23:

- Transfer (£0.200m) from Bridge Strengthening to Renfrew Riverside to Paisley Town Centre Active Travel Route as described in the Revenue and Capital Monitoring Report on 31 August 2022.

Implications of this report

1. **Financial** – The projected budget outturn position for Infrastructure, Land and Environment Revenue budget is an overspend of £2.402m.

The projected outturn position for Infrastructure, Land and Environment Services' Capital budget is breakeven position. The Capital programme will continue to be monitored closely for the rest of the financial year.

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** - 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 Policy Board report, Council 3 March 2022

Capital Investment Programme 2022/23 to 2026/27, Council 3 March 2022.

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 6 January 2023

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Objective Summary	Approved Annual Budget at Period 8	Budget Adjustments	Revised Annual Budget at Period 10	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Directorate and Service Co-ordination	1,249	7	1,256	1,104	152	12.1%	124	28
Refuse Collection	5,392	381	5,773	7,076	(1,303)	(22.6%)	(1,689)	386
Household Waste Recycling Centres	768	40	808	932	(124)	(15.3%)	(68)	(56)
Refuse Disposal	7,602	0	7,602	7,467	135	1.8%	715	(580)
Streetscene	6,208	1,089	7,297	7,506	(209)	(2.9%)	(88)	(121)
Sustainability and Place	606	52	658	682	(24)	(3.6%)	21	(45)
Fleet Services	(105)	55	(50)	(121)	71	142.0%	(22)	93
Social Transport	1,521	83	1,604	1,467	137	8.5%	121	16
Roads Operations	2,895	81	2,976	3,025	(49)	(1.6%)	(137)	88
Infrastructure and Assets	1,664	81	1,745	1,975	(230)	(13.2%)	(115)	(115)
Transportation & Development	992	51	1,043	909	134	12.8%	107	27
Parking of Vehicles	(1,130)	5	(1,125)	(33)	(1,092)	(97.1%)	(1,067)	(25)
Strathclyde Partnership for Transport	3,168	0	3,168	3,168	0	0.0%	0	0
Requisition								
NET EXPENDITURE	30,830	1,925	32,755	35,157	(2,402)	(7.3%)	(2,098)	(305)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 6 January 2023

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Subjective Summary	Approved Annual Budget at Period 8	Budget Adjustments	Revised Annual Budget at Period 10	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	21,632	1,740	23,372	23,478	(106)	(0.5%)	(893)	785
Premises Related	1,053	0	1,053	1,446	(393)	(37.3%)	(413)	20
Transport Related	6,039	16	6,055	7,241	(1,186)	(19.6%)	(1,165)	(21)
Supplies and Services	12,408	18	12,426	13,699	(1,273)	(10.2%)	(368)	(905)
Third Party Payments	3,196	0	3,196	3,227	(31)	(1.0%)	(28)	(3)
Transfer Payments	104	1	105	161	(56)	(53.3%)	(49)	(7)
Support Services	34	0	34	25	9	26.5%	11	(2)
Depreciation and Impairment Losses	(300)	0	(300)	0	(300)	(100.0%)	(300)	0
GROSS EXPENDITURE	44,166	1,775	45,941	49,277	(3,336)	(7.3%)	(3,205)	(133)
Income	(13,336)	150	(13,186)	(14,120)	934	7.1%	1,107	(173)
NET EXPENDITURE	30,830	1,925	32,755	35,157	(2,402)	(7.3%)	(2,098)	(305)

Service Area	
Refuse Collection	The overspend in the main relates to increased costs relating to fuel costs, bins, caddies and bin liner supplies. Also, due to high levels of annual leave as a result of the pandemic, additional overtime is being incurred in order to cover this from an operational perspective. In addition, there has been a reduction in demand for special uplifts from the Housing Service.
Household Waste Recycling Centres	The forecast overspend is mainly related to transport related costs as a result of increased fuel prices and external vehicle hires.
Refuse Disposal	The current projected position relates to reduced levels of waste being disposed of and is expected to continue for the remainder of the financial year, resulting in an underspend on the Clyde Valley Waste contract. In addition, income is expected to over-recover this financial year due to income for mixed plastics, cans and glass now expected. However, the market is highly volatile and as a result this will be closely monitored through the remainder of the year. The finance team have been working closely with the Operational Manager to review the current methods of projecting the tonnages for each of the waste streams.
Streetscene	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. Like other areas within the service, the projected outturn is showing inflationary pressures in fuel and other supplies and services. This will be closely monitored through the remainder of the financial year.
Social Transport	Due to supporting in year projects, the service is receiving additional income. However, it should be noted that this will be monitored throughout the remainder of the financial year and any changes will be reported to future boards.
Infrastructure and Assets	The current projection reflects an increase in costs associated with electrical power in relation to street lighting and traffic signals, based on current market trends. In line with other utility costs, this position will be closely monitored for the remainder of the financial year.
Parking of Vehicles	Off-street parking charges have been reintroduced for a number of months, 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.

RENFREWSHIRE COUNCIL
 CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
 1st April to 6th January 2023
 POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

Project Title	Prior Years Expenditure to 31/03/2022*	Current Year 2022-23						Full Programme - All years			
		Approved Budget 2022-23	Budget Adjustments in 2022-23	Revised Budget 2022-23	Projected Outturn 2022-23	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	
		£000	£000	£000	£000						
ENVIRONMENT & INFRASTRUCTURE											
Cycling, Walking & Safer Routes	0	785	432	1,217	1,217	0	0%	1,467	1,467	0	0%
Roads/Footways Upgrade Programme	15,584	11,068	(2,476)	8,592	8,592	0	0%	39,180	39,180	0	0%
Safe Road Crossing	59	0	191	191	191	0	0%	250	250	0	0%
Vehicle Replacement Programme	0	2,257	1	2,258	2,258	0	0%	2,492	2,492	0	0%
Bridge Assessment/Strengthening	0	481	(342)	139	139	0	0%	320	320	0	0%
Lighting Columns Replacement	0	560	404	964	964	0	0%	964	964	0	0%
Traffic Management	0	100	83	183	183	0	0%	183	183	0	0%
Core pathways & cycle network	62	138	(64)	74	74	0	0%	200	200	0	0%
Parks Improvement Programme	2,142	63	34	97	97	0	0%	2,302	2,302	0	0%
Improvements to Outdoor Access and Play Area Program	264	1,100	349	1,449	1,449	0	0%	1,873	1,873	0	0%
Multi Purpose Bins	60	20	(20)	0	0	0	0%	80	80	0	0%
Improvements to Cemetery Estate	1,220	141	(126)	15	15	0	0%	1,541	1,541	0	0%
Underwood Depot - Workshop Improvements	320	0	2	2	2	0	0%	322	322	0	0%
Clyde Mission Fund - Renfrew Riverside to Paisley TC Active Travel Route	33	970	232	1,202	1,202	0	0%	1,235	1,235	0	0%
Renewal of Play Parks	0	0	158	158	158	0	0%	1,694	1,694	0	0%
Flooding	0	0	248	248	248	0	0%	248	248	0	0%
Nature Restoration Fund	1	0	221	221	221	0	0%	609	609	0	0%
Recycle Improvement Fund	0	0	346	346	346	0	0%	346	346	0	0%
Strathclyde Partnership Transport	0	0	1,060	1,060	1,060	0	0%	1,060	1,060	0	0%
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	19,745	17,683	733	18,416	18,416	0	0%	56,366	56,366	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.