
To: Leadership Board

On: 23 February 2022

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

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

1. Summary of Financial Position

- 1.1. The table below outlines the projected Revenue and Capital outturn position as at 31 March 2022 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 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 £000	Budget Variance %
Adult Services	74,356	73,691	0	73,691	665	0.9%
Chief Executives	24,189	22,607	2,406	25,013	(332)	(1.3%)

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	40,442	40,442	0	40,442	0	0%
Leisure Services	2,664	2,664	0	2,664	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 £0.333m (0.3% 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.
- 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 COVID-19 on both Renfrewshire Leisure (RL) and Renfrewshire HSCP:
 - As reported previously, OneRen expected to incur significant financial pressures over the course of 2021/22, predominantly related to reduced revenue from leisure services. This is likely to be a feature of One Ren's financial outlook over the medium term. It had been projected that the Council would require to provide OneRen with additional financial support over 2021/22 likely in excess of £1m; however it is now forecast that the support required will potentially be in the order of £0.5m in the current financial year. The reduction in the level of support required is predominantly linked to income secured from the Scottish Government in relation to hosting the public vaccination programme within OneRen premises. The Board and management team of OneRen will continue to put measures in place to mitigate the level of financial support required.
 - Within Adult Services, managed by Renfrewshire HSCP, the service continues to take significant action in response to the pandemic, including providing substantial levels of support to external care providers in order to ensure their ongoing financial sustainability.

At Period 8, the service estimates that costs of £5.1m will be incurred specifically in relation to COVID-19 Adult Social Care services by the end of the financial year, this includes costs related to financial sustainability payments to private adult and elderly care providers.

The Scottish Government has again confirmed that all reasonable additional COVID-19 costs will be fully funded, once all Covid related reserves have been fully utilised. In this context, additional costs specifically relating to the COVID-19 response are not therefore included within this report. Outwith COVID-19 specific costs, the service is forecasting a broadly break-even position on core service provision. This is a change from the underspend position previously forecast, due to the service's intention to actively over-recruit in order to address ongoing operational service pressures and staff vacancies.

- 3.5 A revised 2021/22 pay offer recently approved requires additional one-off funding to be contributed by local government; this is likely to be in excess of the provision made in the 2021/22 revenue budget and will require to be met from either reserves or in-year underspends. The revenue projections outlined in this report do not yet take account of the potentially unfunded pay award costs.

4. Revenue Budget Adjustments

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.492m have been processed since the last report. These relate mainly to:
- £0.295m drawn down from specific reserves carried forward from 2020/21
 - £0.220m Discretionary business grants;
 - £0.033m to support delivery of the Tackling Poverty Peer Mentoring Programme;
 - £0.042m Change Advisory Board Motion of March 2020;
 - £0.197m reflecting a transfer of functions between services as a consequence of the Placeshaping service design under the Right for Renfrewshire Programme. The Placemaking team has now transferred into the Economic & Regeneration Division from Planning Services (reporting to the Communities, Housing and Planning Services Policy Board).

5. Capital

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4 March 2021.
- 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 £10.899m which is explained further below.
- 5.3. The Capital Monitoring report at Appendix 3 indicates movement in the approved capital programme for Leisure Services of £0.754m.
- 5.4. Further detail, including reasons for significant variances, can be found at Appendix 3.
- 5.5. It is anticipated that due to both the impact of immediate COVID-19 lockdowns as well as a second phase impact on the construction industry through constrained supply chain capacity for all major building materials coupled with heightened demand across the globe as economies emerge from pandemic lockdowns, there will be increasing financial pressures and potential time impacts in several of the Council's capital building projects. In this context and as previously planned, it is anticipated that consequential cost pressures arising from COVID-19 will require to be addressed from COVID-specific reserve balances. Future reports will provide further detail as this issue develops more substantially over the coming weeks and months and such issues are progressed with individual contractors.

6. Capital Budget Adjustments

- 6.1. Since the last report the following budgets, totalling £11.653m, have been carried forward from 2021/22 into 2022/23 and beyond, reflecting updated cashflows for the timing of work :
 - **Chief Executives**
 - City Deal Projects (£5.099m);
 - Paisley Town Centre and Infrastructure Projects (£1.657m);
 - Paisley Museum (£2.572m);
 - Paisley Learning and Cultural Hub (£1.104m);
 - THI CARS 2 (£0.467m).
 - **Leisure Services**
 - Community Halls Refurbishment (£0.754m).
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Implications of this report

1. **Financial** – The projected budget outturn position for Leadership Board Revenue budget is an underspend of £0.333m. 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

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2021/22 to 2023/24
Council, 4 March 2021.

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

POLICY BOARD : LEADERSHIP BOARD

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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Adult Services	74,356	0	74,356	73,691	0	73,691	665	0.9%	21	644
Chief Executive's Service	24,189	492	24,681	22,607	2,406	25,013	(332)	(1.3%)	(951)	619
NET EXPENDITURE	98,545	492	99,037	96,298	2,406	98,704	333	0.3%	(930)	1,263

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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	44,512	1,556	46,068	45,629	1,616	47,245	(1,177)	(2.6%)	(1,045)	(132)
Premises Related	1,049	61	1,110	1,187	109	1,296	(186)	(16.8%)	(185)	(1)
Transport Related	844	2	846	469	0	469	377	44.6%	365	12
Supplies and Services	14,673	12	14,685	14,799	503	15,302	(617)	(4.2%)	(1,069)	452
Third Party Payments	67,202	343	67,545	66,961	2,638	69,599	(2,054)	(3.0%)	(1,385)	(669)
Transfer Payments	8,529	1,410	9,939	8,115	2,608	10,723	(784)	(7.9%)	(1,651)	867
Support Services	116	0	116	112	0	112	4	3.4%	11	(7)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	136,925	3,384	140,309	137,272	7,474	144,746	(4,437)	(3.2%)	(4,959)	522
Income	(38,380)	(2,892)	(41,272)	(40,974)	(5,068)	(46,042)	4,770	11.6%	4,029	741
NET EXPENDITURE	98,545	492	99,037	96,298	2,406	98,704	333	0.3%	(930)	1,263

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

POLICY BOARD : LEADERSHIP BOARD - ADULT 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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Older People	47,211	(16)	47,195	46,650		46,650	545	1.2%	(233)	778
Physical or Sensory Difficulties	6,484	0	6,484	6,612		6,612	(128)	(2.0%)	(72)	(56)
Learning Difficulties	17,087	0	17,087	17,009		17,009	78	0.5%	292	(214)
Mental Health Needs	2,938	(2)	2,936	2,817		2,817	119	4.1%	(16)	135
Addiction Services	636	18	654	603		603	51	7.8%	50	1
NET EXPENDITURE	74,356	0	74,356	73,691	0	73,691	665	0.9%	21	644

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
Physical or Sensory Difficulties	Reduction in income from supported living clients and Other Local Authorities due to reduced client demand.
Learning Difficulties	Underspends in employee costs reflecting vacancies due to recruitment issues.
Addictions	Underspends in employee costs reflecting vacancies due to recruitment issues.
Mental Health Needs	Underspends in employee costs reflecting vacancies due to recruitment issues.

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

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES										
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	35,014	1,360	36,374	36,015	1,616	37,631	(1,257)	(3.5%)	(1,139)	(118)
Premises Related	527	61	588	630	109	739	(151)	(25.7%)	(149)	(2)
Transport Related	840	2	842	463		463	379	45.0%	367	12
Supplies and Services	1,733	14	1,747	1,734	3	1,737	10	0.6%	48	(38)
Third Party Payments	67,080	343	67,423	66,839	2,638	69,477	(2,054)	(3.0%)	(1,385)	(669)
Transfer Payments	3,888	1,014	4,902	4,913	702	5,615	(713)	(14.5%)	(1,521)	808
Support Services	70	0	70	61	0	61	9	12.9%	12	(3)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	109,152	2,794	111,946	110,655	5,068	115,723	(3,777)	(3.4%)	(3,767)	(10)
Income	(34,796)	(2,794)	(37,590)	(36,964)	(5,068)	(42,032)	4,442	11.8%	3,788	654
NET EXPENDITURE	74,356	0	74,356	73,691	0	73,691	665	0.9%	21	644

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

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive and Management	265	0	265	266	0	266	(1)	(0.4%)	(1)	0
Policy and Commissioning	4,610	75	4,685	4,612	0	4,612	73	1.6%	8	65
Marketing and Communications	3,097	0	3,097	3,036	0	3,036	61	2.0%	26	35
City Deal & Infrastructure	350	0	350	347	0	347	3	0.9%	4	(1)
Economy & Development	4,025	417	4,442	2,511	1,906	4,417	25	0.6%	5	20
Leisure Services (incl Renfrewshire Leisure)	11,842	0	11,842	11,835	500	12,335	(493)	(4.2%)	(993)	500
NET EXPENDITURE	24,189	492	24,681	22,607	2,406	25,013	(332)	(1.3%)	(951)	619

Objective Heading	Key Reasons for Projected Variance
Leisure Services (incl Renfrewshire Leisure)	The adverse variance continues to reflect the projected costs of supporting Renfrewshire Leisure with a revised level of requisition resulting from the continued limitations on service delivery over the coming year (in following the Scottish Government route map out of the pandemic).

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

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	9,498	196	9,694	9,614	0	9,614	80	0.8%	94	(14)
Premises Related	522	0	522	557	0	557	(35)	(6.7%)	(36)	1
Transport Related	4	0	4	6	0	6	(2)	(50.0%)	(2)	0
Supplies and Services	12,940	(2)	12,938	13,065	500	13,565	(627)	(4.8%)	(1,117)	490
Third Party Payments	122	0	122	122	0	122	0	0.0%	0	0
Transfer Payments	4,641	396	5,037	3,202	1,906	5,108	(71)	(1.4%)	(130)	59
Support Services	46	0	46	51	0	51	(5)	(10.9%)	(1)	(4)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	27,773	590	28,363	26,617	2,406	29,023	(660)	(2.3%)	(1,192)	532
Income	(3,584)	(98)	(3,682)	(4,010)	0	(4,010)	328	8.9%	241	87
NET EXPENDITURE	24,189	492	24,681	22,607	2,406	25,013	(332)	(1.3%)	(951)	619

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 12th November 2021
POLICY BOARD: LEADERSHIP

Project Title	Prior Years Expenditure to 31/03/2021*	Approved Budget 2021-22	Budget Adjustments in 2021-22	Current Year 2021-22				Full Programme - All years			
				Revised Budget 2021-22	Projected Outturn 2021-22	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-26 £000	Projected Outturn to 31-Mar-26 £000	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000						
LEISURE SERVICES											
Leisure Investment Programme	52,278	0	322	322	322	0	0%	52,600	52,600	0	0%
Grass Pitches & Changing Facilities	3,677	0	524	524	524	0	0%	4,201	4,201	0	0%
Community Halls Refurbishment	64	2,474	-656	1,818	1,818	0	0%	2,636	2,636	0	0%
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	500	500	0	0%
Total Leisure Services	56,019	2,474	190	2,664	2,664	0	0%	59,937	59,937	0	0%
CHIEF EXECUTIVES											
City Deal Projects											
Glasgow Airport Investment Area	32,237	6,446	3,806	10,252	10,252	0	0%	43,053	43,053	0	0%
Clyde Waterfront & Renfrew Riverside	15,789	28,528	-20,635	7,893	7,893	0	0%	105,748	105,748	0	0%
Airport Access	2,934	0	0	0	0	0	0%	141,991	141,991	0	0%
Economic Development											
GAIA Regeneration	2,109	1,891	0	1,891	1,891	0	0%	5,500	5,500	0	0%
AMIDS: Public Realm Phase 1 Netheron Square	217	1,586	-1,045	541	541	0	0%	2,983	2,983	0	0%
AMIDS: District Heating Network	0	5,273	-187	5,086	5,086	0	0%	7,093	7,093	0	0%
Paisley Venues & Town Centre Infrastructure											
Paisley Art Centre Redevelopment	238	219	73	292	292	0	0%	3,050	3,050	0	0%
Paisley Town Hall Redevelopment	2,950	7,042	-1,320	5,722	5,722	0	0%	22,050	22,050	0	0%
Flexible Outdoor Facility/Travel & Accessibility Infrast	342	1,610	-1,307	303	303	0	0%	9,450	9,450	0	0%
Playing Fields and Sports Development	405	568	-467	101	101	0	0%	7,500	7,500	0	0%
Paisley Museum	7,320	11,801	-5,800	6,001	6,001	0	0%	43,100	43,100	0	0%
Town Centre Capital Fund	1,275	3,387	-2,676	711	711	0	0%	4,237	4,237	0	0%
Paisley Learning & Cultural Hub	1,710	2,581	-1,831	750	750	0	0%	7,000	7,000	0	0%
Townscape Heritage CARS 2	1,676	1,719	-820	899	899	0	0%	4,099	4,099	0	0%
Total Chief Executives	69,202	72,651	(32,209)	40,442	40,442	0	0%	406,854	406,854	0	0%
TOTAL LEADERSHIP BOARD	125,221	75,125	(32,019)	43,106	43,106	0	0%	466,791	466,791	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 £22.686m slipping into future years to reflect revised timescales.
Paisley Venues & Town Centres Infrastructure	As as result of the Covid-19 pandemic, a total £13.551m of programmed expenditure has been reprofiled into future years to reflect revised timescales.