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**To:** Infrastructure, Land and Environment Policy Board

**On:** 26 August 2020

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**Report by:** Director of Finance and Resources

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**Heading:** Revenue and Capital Budget Monitoring as at 26 June 2020

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## 1. Summary of Financial Position

- 1.1. The projected Revenue outturn as at 31 March 2021 for Infrastructure, Land and Environment is an overspend position of £3.512m (11.3%) against the revised budget for the year.
- 1.2. The projected Capital outturn as at 31 March 2021 for Infrastructure, Land and Environment 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 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 %
Environment and Infrastructure	29,570	29,585	3,484	33,069	(3,499)	(11.8%)
Communities, Housing and Planning (Regulatory Services)	1,616	1,625	4	1,629	(13)	(0.8%)



<b>Table 2: Capital</b>						
<b>Division</b>	<b>Revised Annual Budget £000</b>	<b>Projected Outturn Core £000</b>	<b>Projected Outturn COVID-19 £000</b>	<b>Total Projected Outturn £000</b>	<b>Budget Variance £000</b>	<b>Budget Variance %</b>
Environment and Infrastructure	14,289	14,289	0	14,289	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 and confirmed government support at this point in time; forecasts are likely to be subject to considerable fluctuation as the full service implications and associated costs of the pandemic become clear;
- 2.2. Note the projected Capital outturn position as detailed in Table 2 above; and
- 2.3. Note the budget adjustments detailed in section 5.

## **3. Revenue**

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £3.512 million (11.3% of total budget) for Infrastructure, Land and Environment. Detailed division service reports can be also be found here, 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. Capital**

- 4.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9<sup>th</sup> March 2020. For Infrastructure, Land and Environment the approved capital spend for 2020/21 was £12.452m
- 4.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £1.837m. This mainly arises due to budget increases, particularly in relation to Strathclyde Passenger Transport grant awarded for 2020-21, and budget carried forward from 2019-20 into 2020-21.
- 4.3. Further detail, including reasons for significant variances, can be found at Appendix 2.



## 5. Capital Budget Adjustments

- 5.1. Since the last report, budget changes in totalling £1.837m have arisen which reflect the following:

Budget increases in 2020-21 (£1.225m):

- Strathclyde Passenger Transport grant for 2020-21 (£0.875m);
- Roads & Footways Upgrade (£0.250m) approved by Council to improve priority markings across Renfrewshire's road network;
- Improvements to Cemetery Estate (£0.100m) as part of £0.400m approved by Council over next 3 years to support additional investment in Cemetery infrastructure within Renfrewshire.

Budget Transfers in 2020-21 (£0.280m):

- Number Plate Recognition for Underwood Road Recycling Plant (£0.080m) transfer from Lifecycle Maintenance;
- Core Pathways & Cycleways (£0.200m) from SAMF as approved by Council on 9<sup>th</sup> March.

Budget Carried Forward from 2019-20 into 2020-21 (£1.024m):

- Vehicle Replacement Programme (£0.123m);
- Bridge Strengthening (£0.262m);
- Lightning Columns & LED Strategy (£0.258m);
- Park Improvement Programme (£0.260m);
- Waste Transfer Station & Multi Purpose Bins (£0.030m);
- Improvements to Cemetery Estate (£0.091m).

Budget Brought Forward to 2019-20 from 2010-21 due to accelerated expenditure (£0.593m):

- Roads and Footways Upgrade (£0.589m);
- Underwood Depot Improvements (£0.004m).

Budget Carried Forward to 2021-22 from 2020-21 (£0.100m)

- Bridge Strengthening (£0.100m) due to expected timing of work at Wright Street Bridge.
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## Implications of this report

1. **Financial** – The projected budget outturn position for Infrastructure, Land and Environment Revenue budget is an overspend of £3.512m. Income



and expenditure will continue to be monitored closely for the rest of the financial year and steps will be taken to mitigate any overspend as far as possible within existing budgets.

The projected outturn position for Infrastructure, Land and Environment Services' 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 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.

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**List of Background Papers**

Revenue Budget and Council Tax Policy Board report. Council 9<sup>th</sup> March 2020

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2020/21 – 24/25. Council, 9<sup>th</sup> March 2020.

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April 2020 to 26th June 2020**

**POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT**

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Directorate and Service Co-ordination	1,672	311	1,983	1,521	8	1,529	454	22.9%
Refuse Collection	5,268	(56)	5,212	5,110	491	5,601	(389)	(7.5%)
Household Waste Recycling Centres	710	(78)	632	607	45	652	(20)	(3.2%)
Refuse Disposal	7,500	(90)	7,410	7,190	825	8,015	(605)	(8.2%)
Streetscene	5,334	0	5,334	5,220	249	5,469	(135)	(2.5%)
Sustainability and Place	502	65	567	555	3	558	9	1.6%
Fleet Services	(690)	34	(656)	(382)	0	(382)	(274)	(41.8%)
Social Transport	1,461	(6)	1,455	1,423	166	1,589	(134)	(9.2%)
Roads Operations	2,736	0	2,736	2,914	105	3,019	(283)	(10.3%)
Infrastructure and Assets	580	(23)	557	473	42	515	42	7.6%
Flooding	125	0	125	125	0	125	(0)	(0.3%)
Structures	132	0	132	142	0	142	(10)	(7.5%)
Street Lighting	906	0	906	1,008	0	1,008	(102)	(11.3%)
Traffic Management	1,060	0	1,060	1,178	0	1,178	(118)	(11.2%)
Parking of Vehicles	(1,051)	0	(1,051)	(668)	1,050	382	(1,433)	(136.3%)
Strathclyde Partnership for Transport	3,168	0	3,168	3,168	500	3,668	(500)	(15.8%)
Requisition								
Regulatory Services	1,616	0	1,616	1,625	4	1,629	(13)	(0.8%)
<b>NET EXPENDITURE</b>	<b>31,029</b>	<b>157</b>	<b>31,186</b>	<b>31,210</b>	<b>3,488</b>	<b>34,698</b>	<b>(3,512)</b>	<b>(11.3%)</b>



Objective Heading	Key Reasons for Projected Variance
Directorate and Service Co-ordination	A staffing budget realignment exercise is ongoing which will reduce this underspend in future reports.
Refuse Collection	Reduced commercial waste customers, due to business closures, reduced special uplifts, and sale of bins, results in a projected loss of income of £0.3m. Increased employee costs of shielding, absence and adherence to social distancing measures are partially offset by a reduction in employee costs for core service delivery.
Refuse Disposal	A significant increase in household waste for both residual and recycling tonnages, resulting in forecast increase in cost of disposal. In addition there is an expected loss of income from both scrap metal and textile contracts. This is partially offset by a reduction in the tonnages processed through the HWRC's.
Streetscene	The initial response and subsequent service recovery due to the pandemic, and ongoing service delivery has led to an increase in employee and contractor costs
Fleet Services	A review of the charging mechanism for vehicle maintenance has been implemented, with a corresponding budget realignment to follow. This overspend will reduce in future reports
Social Transport	Increased employee costs to deliver food insecurity packages to households across Renfrewshire
Roads Operations	A one of cost pressure on materials cost and increased employee costs during response to the pandemic. Capital improvement works carried out by the service have decreased significantly. Work is underway to increase efficiencies with a view to reducing projected service delivery costs.
Street Lighting	A projected overspend on the cost of festive lighting due to an ongoing increase in the displays across Renfrewshire. This forecast is based on same provision as in 2019/20
Traffic Management	A budget realignment exercise as mentioned above will reduce this overspend in future reports
Parking of Vehicles	Parking charges were suspended from March 2020. The forecast position assumes this suspension will remain in place for the full financial year.
Strathclyde Partnership for Transport Requisition	SPT have indicated they are facing significant commercial income shortfalls which may require support from member councils to address



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April 2020 to 26th June 2020**

**POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT**

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%
Employees	20,839	(99)	20,740	20,452	555	21,007	(267)	(1.3%)
Premises Related	1,072	22	1,094	1,097	0	1,097	(3)	(0.3%)
Transport Related	6,400	(22)	6,378	6,129	0	6,129	249	3.9%
Supplies and Services	12,538	46	12,584	11,754	908	12,662	(78)	(0.6%)
Third Party Payments	3,203	0	3,203	3,203	500	3,703	(500)	(15.6%)
Transfer Payments	53	0	53	93	0	93	(40)	(75.5%)
Support Services	228	0	228	224	0	224	4	1.8%
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>44,333</b>	<b>(53)</b>	<b>44,280</b>	<b>42,952</b>	<b>1,963</b>	<b>44,915</b>	<b>(635)</b>	<b>(1.4%)</b>
Income	(13,304)	210	(13,094)	(11,742)	1,525	(10,217)	(2,877)	(22.0%)
<b>NET EXPENDITURE</b>	<b>31,029</b>	<b>157</b>	<b>31,186</b>	<b>31,210</b>	<b>3,488</b>	<b>34,698</b>	<b>(3,512)</b>	<b>(11.3%)</b>



**RENFREWSHIRE COUNCIL**  
**CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES**  
**1st April to 26th June 2020**  
**POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT**

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		
<b>ENVIRONMENT &amp; INFRASTRUCTURE</b>											
Cycling, Walking & Safer Streets (Funded by Specific C	0	783	0	783	783	0	0%	1,533	1,533	0	0%
Roads/Footways Upgrade Programme	0	7,800	(339)	7,461	7,461	0	0%	30,861	30,861	0	0%
Vehicle Replacement Programme	0	1,800	123	1,923	1,923	0	0%	1,923	1,923	0	0%
Bridge Assessment/Strengthening	0	300	162	462	462	0	0%	562	562	0	0%
Lighting Columns Replacement	0	500	257	757	757	0	0%	757	757	0	0%
Traffic Management	0	1,000	0	1,000	1,000	0	0%	1,000	1,000	0	0%
Core pathways & cycle network	0	0	200	200	200	0	0%	200	200	0	0%
Waste Transfer Station Upgrade	397	0	3	3	3	0	0%	400	400	0	0%
Parks Improvement Programme	2,030	60	260	320	320	0	0%	2,350	2,350	0	0%
LED Street Lighting Strategy	9,370	0	1	1	1	0	0%	9,370	9,370	0	0%
Multi Purpose Bins	52	0	28	28	28	0	0%	80	80	0	0%
Improvements to Cemetery Estate	949	0	191	191	191	0	0%	1,441	1,441	0	0%
Underwood Depot - Workshop Improvements	40	209	(4)	205	205	0	0%	245	245	0	0%
ANPR Recognition Equipment Underwood Road Recycl	0	0	80	80	80	0	0%	80	80	0	0%
Strathclyde Partnership Transport	0	0	875	875	875	0	0%	875	875	0	0%
<b>TOTAL INFRASTRUCTURE, LAND &amp; ENVIRONMENT BOARD</b>	<b>12,838</b>	<b>12,452</b>	<b>1,837</b>	<b>14,289</b>	<b>14,289</b>	<b>0</b>	<b>0%</b>	<b>51,677</b>	<b>51,677</b>	<b>0</b>	<b>0%</b>

\*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
Vehicle Replacement Programme	Review of departmental structures since Covid-19 has paused the programme. This has potential to delay delivery of some vehicles beyond March 2021 depending on the outcome.
Underwood Depot - Workshop Improvements	Completion date has been delayed due to Covid-19 but still expected to be fully completed during 2020-21.