

To: Finance, Resources and Customer Services Policy Board

On: 10 November 2021

Report by: Director of Finance and Resources

Heading: Revenue and Capital Budget Monitoring as at 17 September 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 £0.560m (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	£35,769	£35,328	£386	£35,714	£55	-0.2%
Environment and Infrastructure	£18,067	£17,802	£880	£18,682	(£615)	3.4%
Miscellaneous	£38,593	£38,593	£0	£38,593	£0	0.0%
Total	£92,429	£91,723	£1,266	£92,989	(£560)	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	£6,703	£6,703	£0	£6,703	£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 £0.560m (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 £2.569m have been processed since the last report. These related mainly to:
 - Finance and Resources:
 - (£0.280m) transferred from Finance and Resources to Environment and Infrastructure relating to the relocation of the Energy team under the R4R Placeshaping workstream;

- Environment and Infrastructure:
 - £0.280m transferred into Environment and Infrastructure from Finance and Resources relating to the relocation of the Energy team under the R4R Placeshaping workstream;
 - (£0.878m) transferred into Miscellaneous from Soft FM for savings targets under R4R workstreams.
 - £2.292m permanent transfer of funding from Children's Services for the provision of 1140 early years services
 - £0.060m transfer in for the increase in the living wage rate.
- Miscellaneous:
 - £1.517m transferred into Miscellaneous from Finance and Resources, Communities and Housing, and Environment and Infrastructure to cover savings targets for R4R workstreams;
 - (£0.440m) transferred from Miscellaneous to Finance and Resources to allocate budget for the ERP Team (ICT) held centrally until required.

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 £6.703m (£8.717m at Period 3).
- 5.2. The budget movement results from reprofiling in the approved capital programme for Finance, Resources and Customer Services for the year, of £2.014m. This arises from updated cashflows for roof replacement and rewiring works within Lifecycle Capital Maintenance. Further detail can be found at Appendix 2.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes totalling £2.014m have arisen, which reflect the following:
 - Budget carried forward from 2021/22 to 2022/23 (£2.014m):
 - Lifecycle Capital Maintenance Budget (£2.014m) reflecting updated cashflows for various roof replacement and rewiring projects, including Brediland and Newmains Primary Schools roof replacements, expected to be completed over summer 2022.

Implications of this report

1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an overspend of £0.560m. 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.

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Objective Summary	Revised Annual Budget at P3	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	36,037	(268)	35,769	35,328	386	35,714	55	0.2%	(85)	140
Environment and Infrastructure	16,296	1,771	18,067	17,802	880	18,682	(615)	(3.4%)	(523)	(92)
Miscellaneous	37,527	1,066	38,593	38,593	0	38,593	0	0.0%	0	0
NET EXPENDITURE	89,860	2,569	92,429	91,723	1,266	92,989	(560)	(0.6%)	(608)	48

Subjective Summary	Revised Annual Budget at P3	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	83,289	523	83,812	83,363	757	84,120	(308)	(0.4%)	(257)	(51)
Premises Related	8,590	58	8,648	8,625	0	8,625	23	0.3%	684	(661)
Transport Related	1,272	8	1,280	1,513	0	1,513	(233)	(18.2%)	(141)	(92)
Supplies and Services	19,292	663	19,955	20,427	(185)	20,242	(287)	(1.4%)	176	(463)
Third Party Payments	1,953	(48)	1,905	1,900	0	1,900	5	0.3%	4	1
Transfer Payments	52,670	(666)	52,004	52,188	0	52,188	(184)	(0.4%)	(377)	193
Support Services	5,720	(82)	5,638	5,591	0	5,591	47	0.8%	85	(38)
Depreciation and Impairment Losses	14,807	0	14,807	14,807	0	14,807	0	0.0%	0	0
GROSS EXPENDITURE	187,593	456	188,049	188,413	572	188,985	(936)	(0.5%)	174	(1,110)
Income	(97,733)	2,113	(95,620)	(96,690)	694	(95,996)	376	0.4%	(782)	1,158
NET EXPENDITURE	89,860	2,569	92,429	91,723	1,266	92,989	(560)	(0.6%)	(608)	48

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Objective Summary	Revised Annual Budget at P3	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	(354)	(5)	(359)	(437)	0	(437)	78	21.7%	89	(11)
Corporate Governance	2,965	85	3,050	2,897	51	2,948	102	3.3%	25	77
Finance Services	3,407	5	3,412	3,290	0	3,290	122	3.6%	95	27
ICT Services	9,847	444	10,291	10,116	0	10,116	175	1.7%	142	33
HR, OD and Workforce Strategy	2,754	0	2,754	2,825	0	2,825	(71)	(2.6%)	(84)	13
Customer and Business Services	13,965	(298)	13,667	13,655	164	13,819	(152)	(1.1%)	(197)	45
Housing Benefits	1,559	100	1,659	1,759	0	1,759	(100)	(6.0%)	(100)	0
Property Services	467	(600)	(133)	(133)	0	(133)	0	0.0%	0	0
Social care (non-delegated)	818	0	818	762	0	762	56	6.8%	60	(4)
Change Fund	19	1	20	19	171	190	(170)	(850.0%)	(142)	(28)
Finance projects	0	0	0	0	0	0	0	0.0%	0	0
Audit Services	590	0	590	575	0	575	15	2.5%	27	(12)
NET EXPENDITURE	36,037	(268)	35,769	35,328	386	35,714	55	0.2%	(85)	140

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 staffing vacancies. Anticipated overspends in telephony costs are offset by software cost savings.
HR, OD and Workforce Strategy	It is anticipated that HR will overspend on staffing costs due to ongoing budget pressures.
Customer and Business Services	Projected overspend relates to staffing costs, primarily in frontline services where the need to fill vacancies as they arise is essential, meaning that budgeted turnover targets are not being achieved.
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 17 September 2021

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

Subjective Summary	Revised Annual Budget at P3	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	32,201	(92)	32,109	32,753	157	32,910	(801)	(2.5%)	(1,455)	654
Premises Related	2,710	(40)	2,670	2,604	0	2,604	66	2.5%	713	(647)
Transport Related	81	2	83	50	0	50	33	39.8%	30	3
Supplies and Services	9,113	(45)	9,068	8,477	15	8,492	576	6.4%	538	38
Third Party Payments	1,652	0	1,652	1,648	0	1,648	4	0.2%	4	0
Transfer Payments	53,666	(2,335)	51,331	51,483	0	51,483	(152)	(0.3%)	(348)	196
Support Services	589	(16)	573	507	0	507	66	11.5%	85	(19)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	100,012	(2,526)	97,486	97,522	172	97,694	(208)	57.6%	(433)	225
Income	(63,975)	2,257	(61,718)	(62,194)	214	(61,980)	262	0.4%	348	(86)
NET EXPENDITURE	36,037	(269)	35,768	35,328	386	35,714	54	0.2%	(85)	139

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

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

Objective Summary	Revised Annual Budget at P3	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	(243)	(22)	(265)	(152)	252	100	(365)	137.7%	(290)	(75)
Street Lighting Maintenance Work	373	0	373	538	0	538	(165)	(44.2%)	(171)	6
Public Building Repairs	3,488	315	3,803	3,803	0	3,803	0	0.0%	0	0
Soft Facilities Management Services	12,678	1,478	14,156	13,613	628	14,241	(85)	(0.6%)	(62)	(23)
NET EXPENDITURE	16,296	1,771	18,067	17,802	880	18,682	(615)	(3.4%)	(523)	(92)

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 17 September 2021

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

Subjective Summary	Revised Annual Budget at P3	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	22,997	1,197	24,194	23,104	600	23,704	490	2.0%	1,198	(708)
Premises Related	3,159	99	3,258	3,300		3,300	(42)	(1.3%)	(29)	(13)
Transport Related	1,180	5	1,185	1,451		1,451	(266)	(22.4%)	(170)	(96)
Supplies and Services	8,389	631	9,020	10,083	(200)	9,883	(863)	(9.6%)	(362)	(501)
Third Party Payments	0	0	0	0		0	0	0.0%	0	0
Transfer Payments	1	3	4	35		35	(31)	(764.6%)	(30)	(1)
Support Services	1,094	(20)	1,074	1,092		1,092	(18)	(1.7%)	0	(18)
Depreciation and Impairment Losses	0	0	0	0		0	0	0.0%	0	0
GROSS EXPENDITURE	36,820	1,915	38,735	39,064	400	39,464	(729)	(1.9%)	607	(1,336)
Income	(20,524)	(144)	(20,668)	(21,262)	480	(20,782)	114	0.6%	(1,130)	1,244
NET EXPENDITURE	16,296	1,771	18,067	17,802	880	18,682	(615)	(3.4%)	(523)	(92)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

Subjective Summary	Revised Annual Budget at P3	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	28,091	(585)	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	1,790	77	1,867	1,867	0	1,867	0	0.0%	0	0
Third Party Payments	301	(49)	252	252	0	252	0	0.0%	0	0
Transfer Payments	(998)	1,668	670	670	0	670	0	0.0%	0	0
Support Services	4,037	(45)	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	50,761	1,066	51,827	51,827	0	51,827	0	0.0%	0	0
Income	(13,234)	0	(13,234)	(13,234)	0	(13,234)	0	0.0%	0	0
NET EXPENDITURE	37,527	1,066	38,593	38,593	0	38,593	0	0.0%	0	0

RENFREWSHIRE COUNCIL
CAPITAL BUDGET MONITORING STATEMENT 2021/2022
1 April 2021 to 17 September 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	433	2,388	2,388	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	0	147	147	0	0%	147	147	0	0%
Lifecycle Capital Maintenance (LCM) Fund	0	5,663	-2,581	3,082	3,082	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	-40	402	402	0	0%	1,036	1,036	0	0%
Villages Improvement Fund	0	150	0	150	150	0	0%	150	150	0	0%
TOTAL	2,456	11,691	-4,988	6,703	6,703	0	0%	18,060	18,060	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