

To: Leadership Board

On: 30 November 2022

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

Heading: Revenue and Capital Budget Monitoring as at 16 September 2022

1. Summary of Financial Position

- 1.1. The projected revenue outturn at 31 March 2023 for those services reporting to the Leadership Board is an underspend position of £0.693m.
- 1.2. The projected capital outturn at 31 March 2023 for projects reporting to the Leadership Board is a breakeven position against the revised budget for the year.
- 1.3. This is summarised in the table below and further analysis is provided in the Appendices.

Table 1: Revenue

Division	Revised Annual Budget £000	Projected Annual Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Adult Services	93,607	92,636	971	1.0%
Chief Executives	20,349	20,627	(278)	(1.4%)
Total	113,956	113,263	693	0.6%

Table 2: Capital

Division	Revised Annual Budget £000	Projected Annual Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Chief Executives	50,823	50,823	0	0%
Leisure Services	2,386	2,386	0	0%
Total	53,209	53,209	0	0%

2. Recommendations

2.1. Members are requested to:

- (a) Note the projected Revenue outturn position detailed in Table 1 above;
- (b) Note the projected Capital outturn position detailed in Table 2 above; and
- (c) 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 £0.693m (0.6% of total budget) for all services reporting to this Board. Detailed division 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. In line with previous reporting periods, the most significant areas to bring to member's attention relate to the projected impact of the COVID-19 on both OneRen and Renfrewshire HSCP:

- OneRen is likely to continue to experience increased cost and reduced revenue generation in the short to medium term as a result of both temporary and more permanent behavioural changes as the recovery from COVID progresses. It is projected that the Council may require to provide OneRen with up to an additional £0.350 million of financial support over 2022/23, however significant pressure from energy costs will potentially increase this figure. 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 6, the service estimates that costs of £2.9m 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 projected costs are however based on the current position and may change depending on any further impact of COVID on internal and externally provided services.

- The Scottish Government provided the HSCP with additional COVID-19 funding in the final quarter of 2021/22, a proportion of which will require to be returned to the Scottish Government over the course of 2022/23. This funding has been held as an earmarked reserve and will be utilised to fund COVID-19 costs incurred this financial year. 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 current forecasting a £0.970m underspend on core service provision reflecting the significant an ongoing recruitment issues within the health and social care sector.

4. Revenue Budget Adjustments

- 4.1. Members are asked to note from Appendix 1 that minor budget adjustments have been processed since the previous report to board.

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 3 indicates movement in the revised capital programme for the Chief Executive's Service since the approved budget of £5.842m, in line with the previous board report.
- 5.3. Appendix 3 also indicates movement in the revised capital programme for Leisure Services, since the approved budget, of £1.632m, of which £0.020m has changed since the previous board report. This movement is explained further below.
- 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 COVID-19 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 reported, it is anticipated that consequential cost pressures arising from COVID-19 will require to be addressed from COVID-specific reserve balances.

6. Capital Budget Adjustments

- 6.1. Since the 2022/23 budget was approved in March, budget adjustments totalling £7.474m have arisen. Within Leisure Services, £0.020m of these adjustments have occurred since the previous board report as a result of:

Budget carried forward into 2023/24 from 2022/23 (£0.027m) as result of updated cash flows:

- Communities Hall Refurbishment: (£0.027m).

Budget increases in 2022/23: £0.047m

- Communities Hall Refurbishment (£0.047m) as a result of a budget transfer from the Lifecycle Capital Maintenance Fund for Bargarran Community Centre

Implications of this report

1. **Financial** – The projected budget outturn position for the revenue budget reported to the Leadership Board is an underspend of £0.693m. 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 capital budgets reported to the Leadership Board 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

The Capital Investment Programme 2022/23 to 2026/27 approved by the Council on 3 March 2022

Authors: Revenue - Valerie Howie, Finance Business Partner
Capital - Geoff Borland, Finance Manager

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 16 September 2022

POLICY BOARD : LEADERSHIP BOARD

Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Adult Services	93,607	0	93,607	92,636	971	1.0%	2,065	(1,094)
Chief Executive's Service	20,327	22	20,349	20,627	(278)	(1.4%)	(276)	(2)
NET EXPENDITURE	113,934	22	113,956	113,263	693	0.6%	1,789	(1,096)

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	41,256	809	42,065	43,009	(944)	(2.2%)	(9,048)	8,104
Premises Related	736	79	815	868	(53)	(6.5%)	(112)	59
Transport Related	841	(5)	836	465	371	44.4%	383	(12)
Supplies and Services	15,215	218	15,433	15,719	(286)	(1.9%)	(219)	(67)
Third Party Payments	75,551	756	76,307	77,389	(1,082)	(1.4%)	472	(1,554)
Transfer Payments	8,477	(133)	8,344	7,088	1,256	15.1%	90	1,166
Support Services	74	2	76	73	3	3.9%	3	0
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	142,150	1,726	143,876	144,611	(735)	(0.5%)	(8,431)	7,696
Income	(28,216)	(1,704)	(29,920)	(31,348)	1,428	4.8%	10,220	(8,792)
NET EXPENDITURE	113,934	22	113,956	113,263	693	0.6%	1,789	(1,096)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 16 September 2022

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Older People	60,831	(268)	60,563	61,084	(521)	(0.9%)	1,292	(1,813)
Physical or Sensory Difficulties	6,727	773	7,500	7,413	87	1.2%	202	(115)
Learning Difficulties	22,673	(1,704)	20,969	19,820	1,149	5.5%	290	859
Mental Health Needs	2,726	1,099	3,825	3,570	255	6.7%	246	9
Addiction Services	650	100	750	749	1	0.1%	35	(34)
NET EXPENDITURE	93,607	0	93,607	92,636	971	1.0%	2,065	(1,094)

Objective Heading	Key Reasons for Projected Variance
Older People	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care. Overspends within third party payments due to demand and delayed discharges.
Physical or Sensory Difficulties	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Learning Difficulties	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Mental Health Needs	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Addiction Services	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 16 September 2022

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	36,239	748	36,987	38,003	(1,016)	(2.7%)	1,231	(2,247)
Premises Related	364	78	442	493	(51)	(11.5%)	(109)	58
Transport Related	840	(5)	835	464	371	44.4%	382	(11)
Supplies and Services	1,965	166	2,131	2,058	73	3.4%	129	(56)
Third Party Payments	75,425	756	76,181	77,263	(1,082)	(1.4%)	472	(1,554)
Transfer Payments	6,183	(71)	6,112	4,854	1,258	20.6%	93	1,165
Support Services	70	2	72	69	3	4.2%	3	0
Depreciation and Impairment Losses	0	0	0		0	0.0%	0	0
GROSS EXPENDITURE	121,086	1,674	122,760	123,204	(444)	(0.4%)	2,201	(2,645)
Income	(27,479)	(1,674)	(29,153)	(30,568)	1,415	4.9%	(136)	1,551
NET EXPENDITURE	93,607	0	93,607	92,636	971	1.0%	2,065	(1,094)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 16 September 2022

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive and Management	266	2	268	267	1	0.3%	2	(1)
Policy and Commissioning	4,563	13	4,576	4,534	42	0.9%	32	10
Marketing and Communications	3,764	7	3,771	3,750	21	0.6%	31	(10)
City Deal & Infrastructure	0	0	0	0	0	0.0%	0	0
Leisure Services (incl Renfrewshire Leisure)	11,734	0	11,734	12,076	(342)	(2.9%)	(341)	(1)
NET EXPENDITURE	20,327	22	20,349	20,627	(278)	(1.4%)	(276)	(2)

Objective Heading	Key Reasons for Projected Variance
Chief Executive and Management	No significant projected year end variances to report.
Policy and Commissioning	No significant projected year end variances to report.
Marketing and Communications	No significant projected year end variances to report.
City Deal & Infrastructure	No significant projected year end variances to report.
Leisure Services (incl Renfrewshire Leisure)	The adverse variance reflects the projected costs of supporting Renfrewshire Leisure with a revised level of requisition as a result of the continued impact on service delivery of the recovery from the Covid pandemic.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 16 September 2022

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	5,017	61	5,078	5,006	72	1.4%	65	7
Premises Related	372	1	373	375	(2)	(0.5%)	(3)	1
Transport Related	1	0	1	1	0	0.0%	1	(1)
Supplies and Services	13,250	52	13,302	13,661	(359)	(2.7%)	(349)	(10)
Third Party Payments	126	0	126	126	0	0.0%	0	0
Transfer Payments	2,294	(62)	2,232	2,234	(2)	(0.1%)	(3)	1
Support Services	4	0	4	4	0	0.0%	0	0
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	21,064	52	21,116	21,407	(291)	(1.4%)	(289)	-2
Income	(737)	(30)	(767)	(780)	13	1.7%	13	0
NET EXPENDITURE	20,327	22	20,349	20,627	(278)	(1.4%)	(276)	(2)

RENFREWSHIRE COUNCIL
 CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
 1st April to 16th September 2022
 POLICY BOARD: LEADERSHIP

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	Projected Outturn to 31-Mar-27	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000			£000	£000		
LEISURE SERVICES											
Leisure Investment Programme	52,279	0	321	321	321	0	0%	52,600	52,600	0	0%
Grass Pitches & Changing Facilities	3,872	0	369	369	369	0	0%	4,241	4,241	0	0%
Community Halls Refurbishment	1,710	754	942	1,696	1,696	0	0%	3,433	3,433	0	0%
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	1,000	1,000	0	0%
Total Leisure Services	57,861	754	1,632	2,386	2,386	0	0%	61,274	61,274	0	0%
CHIEF EXECUTIVES											
City Deal Projects											
Glasgow Airport Investment Area	38,662	2,314	1,934	4,248	4,248	0	0%	43,053	43,053	0	0%
Clyde Waterfront & Renfrew Riverside	21,821	37,714	-3,555	34,159	34,159	0	0%	117,748	117,748	0	0%
Airport Access	2,934	0	0	0	0	0	0%	141,991	141,991	0	0%
Economic Development											
GAIA Regeneration	2,109	0	1,891	1,891	1,891	0	0%	5,500	5,500	0	0%
AMIDS: Public Realm Phase 1 Netheron Square	246	2,726	962	3,688	3,688	0	0%	3,933	3,933	0	0%
AMIDS: District Heating Network	3,882	2,007	1,204	3,211	3,211	0	0%	7,093	7,093	0	0%
AMIDS: South	415	220	3,406	3,626	3,626	0	0%	42,328	42,328	0	0%
Total Chief Executives	70,069	44,981	5,842	50,823	50,823	0	0%	361,646	361,646	0	0%
TOTAL LEADERSHIP BOARD	127,930	45,735	7,474	53,209	53,209	0	0%	422,920	422,920	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.