

---

**To:** Leadership Board

**On:** 1 December 2021

---

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

---

**Heading:** Revenue and Capital Budget Monitoring as at 17 September 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	74,335	0	74,355	21	0%
Chief Executives	24,189	22,453	2,687	25,140	(951)	(3.9%)

**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	54,864	54,864	0	54,864	0	0%
Leisure Services	3,418	3,418	0	3,418	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 £0.930m (-0.9% 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 COVID19 on both Renfrewshire Leisure and Renfrewshire HSCP:
  - As reported previously, there is an expectation that RL will continue to experience increased costs and reduced revenue generation in the short to medium term. It is projected that the Council may require to provide RL with up to an additional £1m of financial support over 2021/22. The Board and management team of RL will continue to try to put in place appropriate mitigation measures over the course of the year. However, the level of support from the furlough scheme secured last financial year will reduce as UK government support for the scheme unwinds over the course of 2021/22 and this is expected to result in a greater financial pressure being experienced in 2021/22 in comparison to 2020/21. Some of this pressure will be offset through income secured in relation to the Covid vaccination programme which is being delivered from RL facilities.
  - 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.

As at period 6, the service estimates that costs of £4.5m will be incurred specifically in relation to COVID-19 by the end of the financial year, with this cost predominantly being 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 response are not therefore included within this report. Outwith COVID-19 specific costs, the service is forecasting a broadly breakeven 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 has been tabled by COSLA recently which would require additional one off funding to be contributed by local government. If accepted, the costs to the Council in 2021/22 are anticipated to be in excess of the provision set aside in the 2021/22 base budget and will require to be met from reserves or in year underspends. The revenue projections outlined in this report do not at this stage take account of the potential unfunded pay award costs.

#### **4. Revenue Budget Adjustments**

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.952m have been processed since the last report. These relate mainly to:
- +£0.656m drawn down from specific reserves carried forward from 2020/21
    - ❖ +£0.183m Discretionary business grants,
    - ❖ +£0.350m to support the delivery of the Cultural Infrastructure Programme,
    - ❖ +£0.096m to support delivery of the Tackling Poverty Programme,
    - ❖ +£0.027m Community Empowerment Fund grants,
  - +£0.347m reflecting the transfer of the Estates team to the Chief Executives service as agreed under the Placeshaping workstream of the Right for Renfrewshire programme (the property management element of the remit will continue to report to the FRCS Policy Board), and
  - -£0.050m transfer of environmental improvement initiatives, monitoring and delivery now undertaken by Environment & Infrastructure.

## **5. Capital**

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4<sup>th</sup> 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 £21.310m 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 £0.944m.
- 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 COVID19 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 COVID19 will require to be addressed from the 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, budget changes in totalling £4.402m have arisen which reflect the following:
    - **Chief Executives**
      - City Deal Projects (£6.208m) largely to reflect changes in the timing of work in the Glasgow Airport Investment Area and Clyde Waterfront and Renfrew Riverside projects.
      - AMID's project £1.806m to reflect the revised cashflows on the District Heating Network Project and Netherton Square contracts.
-

## Implications of this report

1. **Financial** – The projected budget outturn position for Leadership Board Revenue budget is an overspend of £0.930m. 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, 4th March 2021.

---

**Author:** Valerie Howie, Revenue. Geoff Borland, Capital

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

**POLICY BOARD : LEADERSHIP BOARD**

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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Adult Services	74,356	0	74,356	74,335	0	74,335	21	0.0%	1,440	(1,419)
Chief Executive's Service	23,237	952	24,189	22,453	2,687	25,140	(951)	(3.9%)	(1,699)	748
<b>NET EXPENDITURE</b>	<b>97,593</b>	<b>952</b>	<b>98,545</b>	<b>96,788</b>	<b>2,687</b>	<b>99,475</b>	<b>(930)</b>	<b>(0.9%)</b>	<b>(259)</b>	<b>(671)</b>

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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	41,160	3,352	44,512	44,202	1,355	45,557	(1,045)	(2.3%)	(1,713)	668
Premises Related	821	228	1,049	1,125	109	1,234	(185)	(17.6%)	(239)	54
Transport Related	841	3	844	479	0	479	365	43.2%	309	56
Supplies and Services	14,669	4	14,673	14,739	1,003	15,742	(1,069)	(7.3%)	(1,305)	236
Third Party Payments	64,111	3,091	67,202	66,908	1,679	68,587	(1,385)	(2.1%)	(1,644)	259
Transfer Payments	6,883	1,646	8,529	7,777	2,403	10,180	(1,651)	(19.4%)	(1,215)	(436)
Support Services	116	0	116	105	0	105	11	9.5%	15	(4)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>128,601</b>	<b>8,324</b>	<b>136,925</b>	<b>135,335</b>	<b>6,549</b>	<b>141,884</b>	<b>(4,959)</b>	<b>(3.6%)</b>	<b>(5,792)</b>	<b>833</b>
Income	(31,008)	(7,372)	(38,380)	(38,547)	(3,862)	(42,409)	4,029	10.5%	5,533	(1,504)
<b>NET EXPENDITURE</b>	<b>97,593</b>	<b>952</b>	<b>98,545</b>	<b>96,788</b>	<b>2,687</b>	<b>99,475</b>	<b>(930)</b>	<b>(0.9%)</b>	<b>(259)</b>	<b>(671)</b>





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

**POLICY BOARD : LEADERSHIP BOARD - ADULT 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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Older People	47,450	(239)	47,211	47,444		47,444	(233)	(0.5%)	915	(1,148)
Physical or Sensory Difficulties	6,285	199	6,484	6,556		6,556	(72)	(1.1%)	(78)	6
Learning Difficulties	17,069	18	17,087	16,795		16,795	292	1.7%	374	(82)
Mental Health Needs	2,859	79	2,938	2,954		2,954	(16)	(0.5%)	148	(164)
Addiction Services	693	(57)	636	586		586	50	7.9%	81	(31)
<b>NET EXPENDITURE</b>	<b>74,356</b>	<b>0</b>	<b>74,356</b>	<b>74,335</b>	<b>0</b>	<b>74,335</b>	<b>21</b>	<b>0.0%</b>	<b>1,440</b>	<b>(1,419)</b>

Objective Heading	Key Reasons for Projected Variance
Older People	Forecast overspend due to the intention to over-recruit staff due to service pressures
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 17 September 2021**

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES										
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	32,460	2,554	35,014	34,798	1,355	36,153	(1,139)	(3.3%)	(1,544)	405
Premises Related	353	174	527	567	109	676	(149)	(28.3%)	(151)	2
Transport Related	840	0	840	473		473	367	43.7%	310	57
Supplies and Services	1,730	3	1,733	1,682	3	1,685	48	2.8%	98	(50)
Third Party Payments	63,989	3,091	67,080	66,786	1,679	68,465	(1,385)	(2.1%)	(1,644)	259
Transfer Payments	2,500	1,388	3,888	4,693	716	5,409	(1,521)	(39.1%)	(1,079)	(442)
Support Services	70	0	70	58	0	58	12	17.1%	15	(3)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	101,942	7,210	109,152	109,057	3,862	112,919	(3,767)	(3.5%)	(3,995)	228
Income	(27,586)	(7,210)	(34,796)	(34,722)	(3,862)	(38,584)	3,788	10.9%	5,435	(1,647)
NET EXPENDITURE	74,356	0	74,356	74,335	0	74,335	21	0.0%	1,440	(1,419)

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

**POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE**

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	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	4,497	113	4,610	4,602	0	4,602	8	0.2%	(13)	21
Marketing and Communications	3,096	1	3,097	3,071	0	3,071	26	0.8%	43	(17)
City Deal & Infrastructure	0	350	350	346	0	346	4	1.1%	(421)	425
Economy & Development	3,537	488	4,025	2,333	1,687	4,020	5	0.1%	17	(12)
Leisure Services (incl Renfrewshire Leisure)	11,842	0	11,842	11,835	1,000	12,835	(993)	(8.4%)	(1,324)	331
<b>NET EXPENDITURE</b>	<b>23,237</b>	<b>952</b>	<b>24,189</b>	<b>22,453</b>	<b>2,687</b>	<b>25,140</b>	<b>(951)</b>	<b>(3.9%)</b>	<b>(1,699)</b>	<b>748</b>

Objective Heading	Key Reasons for Projected Variance
City Deal and Infrastructure	Funding has been drawn down from ringfenced reserves to fund the projected revenue costs required to deliver the Cultural Infrastructure Programme.
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 17 September 2021**

**POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE**

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	Movemen t
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	8,700	798	9,498	9,404	0	9,404	94	1.0%	(169)	263
Premises Related	468	54	522	558	0	558	(36)	(6.9%)	(88)	52
Transport Related	1	3	4	6	0	6	(2)	(50.0%)	(1)	(1)
Supplies and Services	12,939	1	12,940	13,057	1,000	14,057	(1,117)	(8.6%)	(1,403)	286
Third Party Payments	122	0	122	122	0	122	0	0.0%	0	0
Transfer Payments	4,383	258	4,641	3,084	1,687	4,771	(130)	(2.8%)	(136)	6
Support Services	46	0	46	47	0	47	(1)	(2.2%)	0	(1)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>26,659</b>	<b>1,114</b>	<b>27,773</b>	<b>26,278</b>	<b>2,687</b>	<b>28,965</b>	<b>(1,192)</b>	<b>(4.3%)</b>	<b>(1,797)</b>	<b>605</b>
Income	(3,422)	(162)	(3,584)	(3,825)	0	(3,825)	241	6.7%	98	143
<b>NET EXPENDITURE</b>	<b>23,237</b>	<b>952</b>	<b>24,189</b>	<b>22,453</b>	<b>2,687</b>	<b>25,140</b>	<b>(951)</b>	<b>(3.9%)</b>	<b>(1,699)</b>	<b>748</b>

RENFREWSHIRE COUNCIL  
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES  
1st April to 17th September 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					
<b>LEISURE SERVICES</b>										
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	98	2,572	2,572	0 0%	2,636	2,636	0 0%	
Lagoon Internal Play Centre	0	0	0	0	0	0 0%	500	500	0 0%	
<b>Total Leisure Services</b>	<b>56,019</b>	<b>2,474</b>	<b>944</b>	<b>3,418</b>	<b>3,418</b>	<b>0 0%</b>	<b>59,937</b>	<b>59,937</b>	<b>0 0%</b>	
<b>CHIEF EXECUTIVES</b>										
<b>City Deal Projects</b>										
Glasgow Airport Investment Area	32,237	6,446	4,506	10,952	10,952	0 0%	43,053	43,053	0 0%	
Clyde Waterfront & Renfrew Riverside	15,789	28,528	-16,236	12,292	12,292	0 0%	105,748	105,748	0 0%	
Airport Access	2,934	0	0	0	0	0 0%	141,991	141,991	0 0%	
<b>Economic Development</b>										
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%	
<b>Paisley Venues &amp; Town Centre Infrastructure</b>										
Paisley Art Centre Redevelopment	238	219	-4	215	215	0 0%	3,050	3,050	0 0%	
Paisley Town Hall Redevelopment	2,950	7,042	-703	6,339	6,339	0 0%	22,050	22,050	0 0%	
Flexible Outdoor Facility/Travel & Accessibility Infrastru	342	1,610	-541	1,069	1,069	0 0%	9,450	9,450	0 0%	
Playing Fields and Sports Development	405	568	-116	452	452	0 0%	7,500	7,500	0 0%	
Paisley Museum	7,320	11,801	-3,228	8,573	8,573	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	-727	1,854	1,854	0 0%	7,000	7,000	0 0%	
Townscape Heritage CARS 2	1,676	1,719	-353	1,366	1,366	0 0%	4,099	4,099	0 0%	
<b>Total Chief Executives</b>	<b>69,202</b>	<b>72,651</b>	<b>(21,310)</b>	<b>51,341</b>	<b>51,341</b>	<b>0 0%</b>	<b>406,854</b>	<b>406,854</b>	<b>0 0%</b>	
<b>TOTAL LEADERSHIP BOARD</b>	<b>125,221</b>	<b>75,125</b>	<b>(20,366)</b>	<b>54,759</b>	<b>54,759</b>	<b>0 0%</b>	<b>466,791</b>	<b>466,791</b>	<b>0 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
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 £26.294m slipping into future years to reflect revised timescales.
Paisley Venues & Town Centres Infrastructure	As as result of the Covid-19 pandemic, a total £13.211m of programmed expenditure has been reprofiled into future years to reflect revised timescales.