

**To:** Finance, Resources and Customer Services Policy Board

**On:** 2 September 2020

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

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

## 1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2021 for Finance, Resources and Customer Services is an underspend position of £1.544m (1.7%) against the revised budget for the year. This position results from the fact that additional government funding related to the COVID-19 pandemic is currently held within central Miscellaneous budgets and has not been allocated to departments.
- 1.2. The projected Capital outturn at 31 March 2021 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 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 (Adv)/Fav £000	Budget Variance %
Finance and Resources	£35,221	£34,867	£1,484	<b>£36,351</b>	<b>(£1,130)</b>	3.2%
Environment and Infrastructure	£15,836	£14,434	£3,470	<b>£17,904</b>	<b>(£2,068)</b>	13.1%
Miscellaneous	£41,747	£41,747	<b>(£4,742)</b>	<b>£37,005</b>	£4,742	-11.4%

<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>
Finance, Resources and Customer Services, including Environment and Infrastructure	£9,293	£9,293	£0	<b>£9,293</b>	£0	0.0%

## **2. Recommendations**

Members are requested to:

- 2.1. Note the projected Revenue outturn position 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 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 £1.544m (1.7% of total budget) for Finance, Resources and Customer Services. This position results from the fact that all additional government funding related to the Covid19 pandemic is currently held within central Miscellaneous budgets and has not been allocated to departments. 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. Revenue Budget Adjustments**

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £2.534m have been processed since the last report. These related mainly to:
  - Finance and Resources:

- £0.135m staff costs transferred from Children's Services into Customer and Business Services;
- £0.390m software and telephony costs transferred into ICT as part of a budget centralisation programme;
- Environment and Infrastructure:
  - £0.225m transferred from Children's Services for the provision of school milk;
  - £0.188m realigned within Environment and Infrastructure (ILE Board).
- Miscellaneous:
  - £10.9m transferred into Miscellaneous reflecting Loans Fund repayments. This is to incorporate these budgets into regular budget monitoring arrangements;
  - £6.0m transferred into Miscellaneous for redeterminations of settlement funding;
  - £11.6m Early Years 2019/20 budgets transferred to Children's Services that were uploaded to Miscellaneous Services in the base budget;
  - £3.9m Teachers' Pension uplift budget transferred to Children's Services that was uploaded to Miscellaneous Services in the base budget.

## **5. Capital**

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9<sup>th</sup> March 2020. For Finance, Resources and Customer Services the approved capital spend for 2020/21 is £9.382m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates a reduction in the approved capital programme for Finance, Resources and Customer Services for the year of £0.089m. This mainly arises from budgets transfer from the Strategic Asset Management Fund, offset by ICT budget brought forward from 2019/20.
- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 2.

## **6. Capital Budget Adjustments**

- 6.1. Since the last report, budget changes in totalling £0.089m have arisen which reflect the following:
  - Budget Carried Forward from 2019/20 to 2020/21 (£0.694m):
    - ICT Infrastructure & Renewal (£0.694m) due to cash flow timings.

- Budget Brought Forward to 2019/20 from 2020/21 due to grants paid out in early March 2020 (£0.022m):
  - Community Empowerment Fund (£0.008m);
  - Greenspaces & Parks (£0.014m).
- Budget Carried Forward to 2021/22 from 2020/21 (£0.036m)
  - Lifecycle Capital Maintenance Fund (£0.036m).
- Budget Transfers 2020/21 (£0.725m):
  - Strategic Asset Management Fund (£0.645m) transfers to Lagoon Internal Play Centre, £0.445m, and Core Pathways and Cycle Network, £0.200m, as approved by Council on 9 March 2020;
  - Lifecycle Capital Maintenance Fund (£0.080m) to Environment & infrastructure for Number Plate Recognition equipment at Underwood Rd.

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## Implications of this report

1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an underspend of £1.544m. 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.

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**List of Background Papers**

Revenue Budget and Council Tax 2020/21. Council, 9th March 2020.

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

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

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

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	%
Finance and Resources	34,733	488	35,221	34,867	1,484	36,351	(1,130)	(3.2%)
Environment and Infrastructure	15,790	46	15,836	14,434	3,470	17,904	(2,068)	(13.1%)
Miscellaneous	39,747	2,000	41,747	41,747	(4,742)	37,005	4,742	11.4%
<b>NET EXPENDITURE</b>	<b>90,270</b>	<b>2,534</b>	<b>92,804</b>	<b>91,048</b>	<b>212</b>	<b>91,260</b>	<b>1,544</b>	<b>1.7%</b>

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	£000	£000	£000	£000	£000	£000	%
Employees	96,160	(15,480)	80,680	79,744	964	80,708	(28)	0.0%
Premises Related	9,653	77	9,730	9,666	0	9,666	64	0.7%
Transport Related	1,238	0	1,238	1,258	0	1,258	(20)	(1.6%)
Supplies and Services	22,086	5,930	28,016	27,668	(3,677)	23,991	4,025	14.4%
Third Party Payments	1,892	0	1,892	1,900	0	1,900	(8)	(0.4%)
Transfer Payments	(993)	1,065	72	166	0	166	(94)	(130.7%)
Support Services	9,501	(6,640)	2,861	2,767	0	2,767	94	3.3%
Depreciation and Impairment Losses	(5,290)	18,480	13,190	13,190	0	13,190	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>134,247</b>	<b>3,432</b>	<b>137,679</b>	<b>136,359</b>	<b>(2,713)</b>	<b>133,646</b>	<b>4,033</b>	<b>2.9%</b>
Income	(43,977)	(898)	(44,875)	(45,310)	2,925	(42,385)	(2,490)	(5.5%)
<b>NET EXPENDITURE</b>	<b>90,270</b>	<b>2,534</b>	<b>92,804</b>	<b>91,048</b>	<b>212</b>	<b>91,260</b>	<b>1,544</b>	<b>1.7%</b>

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

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

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	%
Finance and Resources Directorate	(449)	0	(449)	(449)	0	(449)	0	0.0%
Corporate Governance	3,440	0	3,440	3,430	140	3,570	(130)	(3.8%)
Finance Services	3,411	0	3,411	3,381	0	3,381	30	0.9%
ICT Services	8,416	410	8,826	9,072	84	9,156	(330)	(3.7%)
HR, OD and Workforce Strategy	2,516	0	2,516	2,747	0	2,747	(231)	(9.2%)
Customer and Business Services	15,408	85	15,493	14,984	828	15,812	(319)	(2.1%)
Property Services	627	(7)	620	383	401	784	(164)	(26.5%)
Social care (non-delegated)	743	0	743	769	0	769	(26)	(3.5%)
Change Fund	19	0	19	(12)	31	19	0	0.0%
Finance projects	(1)	0	(1)	(1)	0	(1)	0	0.0%
Audit Services	603	0	603	563	0	563	40	6.6%
<b>NET EXPENDITURE</b>	<b>34,733</b>	<b>488</b>	<b>35,221</b>	<b>34,867</b>	<b>1,484</b>	<b>36,351</b>	<b>(1,130)</b>	<b>(41.3%)</b>

Objective Heading	Key Reasons for Significant Projected Variances
Corporate Governance	COVID-19 overspend arises from loss of income within Licensing and Registration services
ICT Services	Anticipated overspend within Business World team owing to overlap of software contract re-tender exercise this year; future annual costs should be clearer in the next Board report; COVID-19 overspend arises from increased kit and data requirements over the period of lockdown
HR, OD and Workforce Strategy	Projected overspend largely relates to staff costs in the Project Management Unit, some of whom are on temporary contracts
Customer and Business Services	COVID-19 overspend arises from loss of income from statutory additions and Water Direct, mitigated by savings in postage and printing costs
Property Services	COVID-19 overspend arises from loss of income within the Technical Unit (fees from capital projects) and from commercial rents, mitigated by savings in external consultant costs
Change Fund	Funding will be drawn down from the Change Fund earmarked reserve as required (net of other FARS underspends)

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

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

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	£000	£000	£000	£000	£000	£000	%
Employees	33,169	98	33,267	33,435	29	33,464	(197)	(0.6%)
Premises Related	2,456	0	2,456	2,391	0	2,391	65	2.6%
Transport Related	79	0	79	99	0	99	(20)	(25.3%)
Supplies and Services	7,897	390	8,287	8,565	111	8,676	(389)	(4.7%)
Third Party Payments	1,640	0	1,640	1,648	0	1,648	(8)	(0.5%)
Transfer Payments	671	0	671	730	0	730	(59)	(8.8%)
Support Services	620	0	620	525	0	525	95	15.3%
<b>GROSS EXPENDITURE</b>	<b>46,532</b>	<b>488</b>	<b>47,020</b>	<b>47,393</b>	<b>140</b>	<b>47,533</b>	<b>(513)</b>	<b>(22.0%)</b>
Income	(11,799)	0	(11,799)	(12,526)	1,344	(11,182)	(617)	(5.2%)
<b>NET EXPENDITURE</b>	<b>34,733</b>	<b>488</b>	<b>35,221</b>	<b>34,867</b>	<b>1,484</b>	<b>36,351</b>	<b>(1,130)</b>	<b>(27.2%)</b>



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

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

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	%
Building Services	(229)	(113)	(342)	(342)	367	25	(367)	107.3%
Street Lighting Maintenance Work	373	0	373	373	0	373	0	0.0%
Public Building Repairs	3,432	(13)	3,419	3,419	0	3,419	0	0.0%
Cleaning And Janitorial Services	7,227	(110)	7,117	6,342	755	7,097	20	0.3%
Catering	4,325	282	4,607	3,988	2,348	6,336	(1,729)	(37.5%)
School Crossing Patrols	662	0	662	654		654	8	1.2%
<b>NET EXPENDITURE</b>	<b>15,790</b>	<b>46</b>	<b>15,836</b>	<b>14,434</b>	<b>3,470</b>	<b>17,904</b>	<b>(2,068)</b>	<b>(13.1%)</b>

Objective Heading	Key Reasons for Significant Projected Variances
Building Services	Increased employee costs due to the delivery of the food insecurity packages across Renfrewshire. Due to the pandemic there is an ongoing loss of work resulting in lower productivity and lower income. Measures are being put in place to try and minimise the affect of this for the remainder of the year.
Cleaning And Janitorial Services	There is a significant spend related to the service response to the pandemic, including significant additional cleaning in schools, and additional hours required to cover for absence from shielding. This is estimated to be offset by a part hold and redesign of vacancies within the service.
Catering	The pressure due to the pandemic includes, a loss of income from school meals and Renfrewshire House café. Also includes food costs of the food insecurity packages delivered to residents across Renfrewshire. These are partially offset by savings in food purchases

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

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

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	£000	£000	£000	£000	£000	£000	%
Employees	21,901	(168)	21,733	20,630	935	21,565	168	0.8%
Premises Related	3,329	77	3,406	3,406	0	3,406	0	0.0%
Transport Related	1,154	0	1,154	1,153	0	1,153	1	0.1%
Supplies and Services	8,234	137	8,371	7,745	954	8,699	(328)	(3.9%)
Third Party Payments	0	0	0	0	0	0	0	0.0%
Transfer Payments	1	0	1	36	0	36	(35)	(3507.0%)
Support Services	934	0	934	935	0	935	(1)	(0.1%)
Depreciation and Impairment Losses	(6)	0	(6)	(6)	0	(6)	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>35,547</b>	<b>46</b>	<b>35,593</b>	<b>33,899</b>	<b>1,889</b>	<b>35,788</b>	<b>(195)</b>	<b>(0.5%)</b>
Income	(19,757)	0	(19,757)	(19,464)	1,581	(17,883)	(1,874)	(9.5%)
<b>NET EXPENDITURE</b>	<b>15,790</b>	<b>46</b>	<b>15,836</b>	<b>14,434</b>	<b>3,470</b>	<b>17,904</b>	<b>(2,068)</b>	<b>(13.1%)</b>

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

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

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	£000	£000	£000	£000	£000	£000	%
Employees	41,089	(15,410)	25,679	25,679	0	25,679	0	0.0%
Premises Related	3,869	0	3,869	3,869	0	3,869	0	0.0%
Transport Related	6	0	6	6	0	6	0	0.0%
Supplies and Services	5,955	5,403	11,358	11,358	(4,742)	6,616	4,742	41.8%
Third Party Payments	252	0	252	252	0	252	0	0.0%
Transfer Payments	(1,665)	1,065	(600)	(600)	0	(600)	0	0.0%
Support Services	7,947	(6,640)	1,307	1,307	0	1,307	0	0.0%
Depreciation and Impairment Losses	(5,284)	18,480	13,196	13,196	0	13,196	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>52,169</b>	<b>2,898</b>	<b>55,067</b>	<b>55,067</b>	<b>(4,742)</b>	<b>50,325</b>	<b>4,742</b>	<b>8.6%</b>
Income	(12,422)	(898)	(13,320)	(13,320)	0	(13,320)	0	0.0%
<b>NET EXPENDITURE</b>	<b>39,747</b>	<b>2,000</b>	<b>41,747</b>	<b>41,747</b>	<b>(4,742)</b>	<b>37,005</b>	<b>4,742</b>	<b>11.4%</b>

Subjective Heading	Key Reasons for Significant Projected Variances
Employee Costs	Budget adjustment relates to pay award being disbursed across other services
Supplies & Services Costs	COVID-19 projection relates to an overspend of £0.500m in Free School Meal and an under-recovery in savings of £0.850m due to the pause in R4R arising from the pandemic. An under-recovery in investment income of £0.6m is also anticipated. These are offset by £6.7m of additional COVID-19 funding from the Scottish Government that has not been allocated to services.
Capital Charges	Budget adjustment relates to corrective transfers out of the Loans Fund

RENFREWSHIRE COUNCIL  
CAPITAL BUDGET MONITORING STATEMENT 2020/2021  
1st April 2020 to 26th June 2020

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Project Title	Current Year 2020/21							Full Programme - All years			
	Prior Years Expenditure to 31/03/2020*	Approved Budget 2020/21	Budget Adjustments 2020/21	Revised Budget 2020/21	Projected Outturn 2020/21	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31 March 2025	Projected Outturn to 31 March 2025	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%	£000	£000	£000	%
<b>CORPORATE PROJECTS</b>											
ICT Infrastructure Maint & Renewal Programme	0	1,231	694	1,925	1,925	0	0%	3,525	3,525	0	0%
Strategic Asset Management Fund	0	645	(645)	0	0	0	0%	0	0	0	0%
Energy Efficiency Programme	0	402	0	402	402	0	0%	464	464	0	0%
Lifecycle Capital Maintenance (LCM) Fund	0	5,157	(116)	5,041	5,041	0	0%	9,800	9,800	0	0%
Digital Infrastructure Provision	435	1,200	0	1,200	1,200	0	0%	1,935	1,935	0	0%
Community Empowerment Fund	74	351	(8)	343	343	0	0%	951	951	0	0%
Greenspaces and Parks	193	396	(14)	382	382	0	0%	1,016	1,016	0	0%
Villages Improvement Fund	0	0	0	0	0	0	0%	150	150	0	0%
<b>TOTAL</b>	<b>702</b>	<b>9,382</b>	<b>(89)</b>	<b>9,293</b>	<b>9,293</b>	<b>0</b>	<b>0%</b>	<b>17,841</b>	<b>17,841</b>	<b>0</b>	<b>0%</b>

\*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
Lifecycle Capital Maintenance (LCM) Fund	Monitoring continuing to assess impact of COVID-19 on cost and timing of projects which may result in future budget adjustments