
To: Infrastructure, Land and Environment Policy Board

On: 25 August 2021

Report by: Director of Finance & Resources, Director of Environment and Infrastructure & Director of Communities and Housing

Heading: Revenue and Capital Budget Monitoring as at 25 June 2021

1. Summary of Financial Position

- 1.1. The projected Revenue outturn as at 31 March 2022 for Infrastructure, Land and Environment is an overspend position of £2.954m (9.2%) against the revised budget for the year, with £3.205m of expenditure directly attributable to the response to the Covid19 pandemic.
- 1.2. The projected Capital outturn as at 31 March 2022 for Infrastructure, Land and Environment is break even.
- 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.

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	30,330	30,034	3,192	33,226	(2,896)	9.5
Communities and Housing (Regulatory Services)	1,675	1,720	13	1,733	(58)	3.5

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 %
Environment and Infrastructure	20,379	20,379	0	20,379	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 at this time;
- 2.2. Note the projected Capital outturn position as detailed in Table 2 above; and
- 2.3. Note the Revenue and Capital budget adjustments detailed in sections 4 and 6.

3. Revenue

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £2.954 (9.2% of total budget) for Infrastructure, Land and Environment. Narrative is provided in the Appendices below to provide context and explanation to the budget position for service areas.
- 3.2. The projected outturn includes £3.205m of costs directly attributable to the ongoing response to and recovery from the pandemic. The forecast financial overview for the Council being reported to FARCS Board incorporates the overspend position reflected in this report. It is expected that non-recurring resource earmarked at the end of 2020/21 will require to be utilised to fund this projected overspend.
- 3.3. The main reasons for the projected outturn position are indicated below, with 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. Since the Budget was approved on 4th March 2021, there have been budget adjustments of £903,000. £160,000 of this relates to a budget realignment to other services within the department, reporting to the Finance, Resources and Customer Services policy board

£700,000 relates to the draw down of agreed revenue funding for Environment & Place and memorial safety.

5. Capital

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4th March 2021.
- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £6.198m. This mainly arises to reflect new funding awarded for SPT & Clyde Mission Fund, budget transfer from the Strategic Asset Management Fund and budget brought forward from 2020-21.
- 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 of £6.198m have arisen which reflect the following:

Budget brought forward from 2020-21 to 2021-22 (£2.447m) to reflect updated cash flows:

- Roads/Footways Upgrade Programme (£0.599m);
- Vehicle Replacement Programme (£1.081m);
- Bridge Assessment/Strengthening (£0.054m);
- Lighting Columns Replacement (£0.270m);
- Traffic Management (£0.036m);
- Core Pathways & Cycle Network (£0.181m);
- Improvements to Cemetery Estate (£0.041m);
- Underwood Depot Workshop Improvements (£0.185m).

Budget Increases in 2021-22 (£1.961m):

- Underwood Depot Workshop Improvements (£0.021m) for a Contribution from Current Revenue CFCR for the project;
- Clyde Mission Fund (£0.935m) for grant awarded by Scottish Government for a new active travel route between Renfrew Riverside and Paisley Town Centre;
- Strathclyde Passenger Transport (£1.005m) for Renfrewshire Council grant award for 2021-22.

Budget Transfers in 2021-22 (£1.790m):

- Safe Road Crossing (£0.250m) for transfer from Strategic Asset Management Fund, approved by Council Motion on 4th March 2021, for provision of safe road crossing facilities;
- Parks Improvement Programme (£0.040m) for award from Greenspaces and Parks Fund for Barwood Park reported to Communities Housing & Policy Board on 16th March 2021;

- Improvements to Outdoor Access & Play Areas (£1.500m) for transfer from Strategic Asset Management Fund, approved by Council Motion on 4th March 2021, to augment Cycle Walking & Safer Streets.
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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 £2.954m, with £3.205m due to the response to the pandemic.

The projected outturn position for Infrastructure, Land and Environment Services' Capital budget is break even. The Capital programme will continue to be monitored closely for the rest of the financial year.

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 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.

Authors: Director of Finance & Resources, Director of Environment & Infrastructure and Director of Communities & Housing

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 25 June 2021

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	1,275	160	1,435	1,435	0	1,435	(0)	0.0%
Refuse Collection	5,040	0	5,040	5,206	1,202	6,408	(1,368)	(27.1%)
Household Waste Recycling Centres	671	0	671	663	350	1,013	(342)	(51.0%)
Refuse Disposal	7,248	0	7,248	7,252	663	7,915	(667)	(9.2%)
Streetscene	5,360	700	6,060	5,785	150	5,934	126	2.1%
Sustainability and Place	590	0	590	480	4	484	106	18.0%
Fleet Services	(151)	0	(151)	(164)	0	(164)	13	8.4%
Social Transport	1,668	(1)	1,667	1,619	(253)	1,365	302	18.1%
Roads Operations	2,744	0	2,744	2,651	15	2,666	78	2.9%
Infrastructure and Assets	1,746	(6)	1,740	1,695	0	1,695	45	2.6%
Transportation & Development	1,200	50	1,250	1,156	5	1,161	89	7.1%
Parking of Vehicles	(1,132)	0	(1,132)	(911)	1,056	145	(1,277)	(112.8%)
Strathclyde Partnership for Transport				3,168	0	3,168	0	0.0%
Requisition	3,168	0	3,168	3,168	0	3,168	0	
Regulatory Services	1,675	0	1,675	1,720	13	1,733	(58)	(3.5%)
NET EXPENDITURE	31,102	903	32,005	31,754	3,205	34,959	(2,954)	(9.2%)

Objective Heading	Key Reasons for Projected Variance
Refuse Collection	The pandemic continues to result in increased costs of absence and holiday cover, and additional employee and vehicle costs for adherence to social distancing measures. At present these additional measures are forecast to remain in place for the full financial year. There is also an expected overspend on the supply of household waste bins, partly due to increased prices.
Household Waste Recycling Centres	In order to ensure the public can adhere safely to social distancing measures when visiting HWRC sites increased staffing is required to direct and control the operations. These additional measures are currently forecast to be in place for the full financial year.
Refuse Disposal	There continues to be a significant increase in household waste for both residual and recycling tonnages, resulting in a forecast increase in the costs of disposal, compared to pre pandemic years. In addition there is an expected loss of income from both scrap metal and textile contracts.
Sustainability & Place	Management controls and actions to mitigate the overall costs of the pandemic have resulted in an underspend in employee costs due to vacancy management.
Social Transport	Additional driver support is required to adhere to service social distancing measures mainly within refuse collection, resulting in increased income recovery.
Parking of Vehicles	Off street parking charges are currently suspended and at present this is forecast to remain in place for the full year. In addition both on street parking and fine recovery is forecast to remain significantly lower due to the pandemic

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 25 June 2021

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	21,725	244	21,969	21,591	1,280	22,871	(902)	(4.1%)
Premises Related	1,094	(25)	1,069	1,126	12	1,138	(69)	(6.4%)
Transport Related	5,920	135	6,055	5,945	301	6,246	(191)	(3.2%)
Supplies and Services	12,052	457	12,509	12,578	646	13,224	(715)	(5.7%)
Third Party Payments	3,203	0	3,203	3,203	0	3,203	(0)	0.0%
Transfer Payments	60	0	60	78	0	78	(18)	(30.7%)
Support Services	228	(42)	186	189	0	189	(3)	(1.6%)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%
GROSS EXPENDITURE	44,282	769	45,051	44,710	2,239	46,950	(1,899)	(4.2%)
Income	(13,180)	134	(13,046)	(12,957)	966	(11,991)	(1,055)	(8.1%)
NET EXPENDITURE	31,102	903	32,005	31,753	3,205	34,959	(2,954)	(9.2%)

RENFREWSHIRE COUNCIL
 CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
 1st April to 25th June 2021
 POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

Project Title	Prior Years Expenditure to 31/03/2021* £000	Current Year 2021-22						Full Programme - All years					
		Approved Budget 2021-22 £000	Budget Adjustments in 2021-22 £000	Revised Budget 2021-22 £000	Projected Outturn 2021-22 £000	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			
ENVIRONMENT & INFRASTRUCTURE													
Cycling, Walking & Safer Streets (Funded by Specific Conser	0	784	0	784	784	0	0%	1,284	1,284	0	0%		
Roads/Footways Upgrade Programme	15,584	9,900	599	10,499	10,499	0	0%	39,180	39,180	0	0%		
Safe Road Crossing	0	0	250	250	250	0	0%	250	250	0	0%		
Vehicle Replacement Programme	0	1,700	1,081	2,781	2,781	0	0%	2,781	2,781	0	0%		
Bridge Assessment/Strengthening	0	569	54	623	623	0	0%	622	622	0	0%		
Lighting Columns Replacement	0	630	270	900	900	0	0%	900	900	0	0%		
Traffic Management	0	200	36	236	236	0	0%	236	236	0	0%		
Core pathways & cycle network	19	0	181	181	181	0	0%	200	200	0	0%		
Parks Improvement Programme	2,122	228	40	268	268	0	0%	2,390	2,390	0	0%		
Improvements to Outdoor Access and Play Area Programme	0	0	1,500	1,500	1,500	0	0%	1,500	1,500	0	0%		
Multi Purpose Bins	60	20	0	20	20	0	0%	80	80	0	0%		
Improvements to Cemetery Estate	1,209	150	41	191	191	0	0%	1,441	1,441	0	0%		
Underwood Depot - Workshop Improvements	106	0	206	206	206	0	0%	312	312	0	0%		
Clyde Mission Fund - Renfrew Riverside to Paisley TC Active Travel Route	0	0	935	935	935	0	0%	935	935	0	0%		
Strathclyde Partnership Transport	0	0	1,005	1,005	1,005	0	0%	1,005	1,005	0	0%		
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	19,100	14,181	6,198	20,379	20,379	0	0%	53,116	53,116	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.