

To: Infrastructure, Land and Environment Policy Board

On: 9 November 2022

Report by: Director of Finance & Resources and Director of Environment & Infrastructure

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

1. Summary of Financial Position

- 1.1. The projected Revenue outturn as at 31 March 2023 for Infrastructure, Land and Environment is an overspend position of £1.696m (5.5%) against the revised budget for the year.
- 1.2. The projected Capital outturn as at 31 March 2023 for Infrastructure, Land and Environment is a breakeven position for the year.
- 1.3. This is summarised over the relevant services in the table below and further analysis is provided in the Appendices.

Table 1: Revenue

Division	Revised Annual Budget £000	Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Environment & Infrastructure	30,841	32,537	(1,696)	-5.5%

Table 1: Capital

Division	Revised Annual Budget £000	Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Environment & Infrastructure	21,579	21,579	0	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 £1.696m (5.5% 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 costs for this financial year are based on the financial information available at the time of writing this report, and future projections and outturns may vary depending on the operational and current market conditions.
- 3.3. The forecast financial overview for the Council being reported to Finance, Resources and Customer Services Board incorporates the overspend position reflected in this report.
- 3.4. 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). The main drivers are the loss of parking income, as has been the case since the beginning of the pandemic and the refuse collection costs that are largely driven by inflationary costs and absence cover as a result of annual leave being carried forward from during the pandemic. The position also includes and an anticipated increase in energy costs.

4. Revenue Budget Adjustments

- 4.1. Budget adjustments totalled £1.531m which in the main related to Regulatory Services, which previously reported to this board and now reports to Communities and Housing Policy. The total budget is adjusted by £1.775m to reflect this transfer.

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 2 indicates adjustments in the approved capital programme of £3.896m, of which £0.306m have occurred since the last board report at Period 3. This reflects new grant funding awarded in 2022/23.
- 5.3. The projected outturn at 31 March 2023 is a breakeven position. 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 £0.306m have arisen which reflect the following:

Budget Increases in 2022/23 (£0.306m) for grant awarded in the following projects:

- Cycle Walking Safer Routes (£0.064m);
- Vehicle replacement Programme (£0.083m) for Transport Scotland grant for electric vehicle charging infrastructure;
- Renewal of Playparks (£0.155m), a further £1.536m has been awarded to Renfrewshire Council over the 3 year period 2023-24 to 2025-26.

Implications of this report

1. **Financial** – The projected budget outturn position for Infrastructure, Land and Environment Revenue budget is an overspend of £1.696m.

The projected outturn position for Infrastructure, Land and Environment Services' Capital budget is breakeven position. 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.

List of Background Papers

Revenue Budget and Council Tax Policy Board report, Council 3 March 2022

Capital Investment Programme 2022/23 to 2026/27, Council 3 March 2022.

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

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

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
Directorate and Service Co-ordination	1,244	6	1,250	1,126	124	10.0%	0	124
Refuse Collection	5,233	159	5,392	6,968	(1,576)	(29.2%)	(1,399)	(177)
Household Waste Recycling Centres	766	2	768	841	(73)	(9.5%)	(126)	53
Refuse Disposal	7,602	0	7,602	6,923	679	8.9%	152	527
Streetscene	6,039	163	6,202	6,270	(68)	(1.1%)	(31)	(37)
Sustainability and Place	602	4	606	547	59	9.8%	29	30
Fleet Services	(177)	5	(172)	(257)	85	49.4%	(18)	103
Social Transport	1,719	(132)	1,587	1,407	180	11.4%	120	60
Roads Operations	2,651	235	2,886	2,856	30	1.1%	(101)	131
Infrastructure and Assets	1,887	(197)	1,690	1,731	(41)	(2.4%)	23	(64)
Transportation & Development	994	(2)	992	1,011	(19)	(1.9%)	0	(19)
Parking of Vehicles	(1,131)	1	(1,130)	(52)	(1,078)	(95.4%)	(999)	(79)
Strathclyde Partnership for Transport	3,168	0	3,168	3,168	0	0.0%	0	0
Requisition								
Regulatory Services	1,775	(1,775)	0	0	0	0.0%	0	0
NET EXPENDITURE	32,372	(1,531)	30,841	32,537	(1,696)	(5.5%)	(2,350)	653

Objective Heading	Key Reasons for Projected Variance
Refuse Collection	The over spend in the main relates to increased costs relating to fuel cost increases. There is also an expected overspend on the supply of household bins which is partly due to increased prices and reduced demand in special uplift income. In addition, due to high levels annual of leave carried forward as a result of the pandemic, additional overtime is being incurred in order to cover this from an operational perspective.
Household Waste Recycling Centres	In the main, the overspend is in relation to transport related costs as a result of increased fuel prices and external vehicle hires.
Refuse Disposal	The current projected position relates to reduced levels of waste being disposed of and are expected to continue for the remainder of the financial year resulting in an underspend on the Clyde Valley Waste contract. In addition, income is expected to over recover this financial year due to income for mixed plastics, cans and glass now expected this financial year. However, this will be closely monitored through the year.
Streetscene	The current projected overspend within Streetscene in the main relates to the tree management and the associated health and safety issues such as tree inspections and monitoring tree health. As a result, the Council is incurring increased inspection and monitoring costs in dealing with tree health issues such as Ash Dieback. This will be closely monitored through the remainder of the financial year.
Social Transport	Due to a reduction in social transport requirements, it is expected that the service will underspend this financial year. However, it should be noted that this will be monitored throughout the financial year and any changes will be reported to future boards.
Parking of Vehicles	Off-street parking charges have been reintroduced for a number of months, however on and off street parking income and fine recovery remain significantly lower than pre-pandemic levels and this is expected to remain until the end of the current financial year.

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

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

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	23,079	(1,436)	21,643	22,298	(654)	(3.0%)	(406)	(250)
Premises Related	1,089	(36)	1,053	1,466	(413)	(39.2%)	(101)	(312)
Transport Related	6,040	(1)	6,039	7,169	(1,130)	(18.7%)	(1,085)	(45)
Supplies and Services	12,356	52	12,408	12,543	(135)	(1.1%)	(514)	379
Third Party Payments	3,197	(1)	3,196	3,209	(13)	(0.4%)	(1)	(12)
Transfer Payments	111	(7)	104	151	(47)	(45.2%)	(15)	(32)
Support Services	39	(5)	34	7	27	79.4%	(5)	32
Depreciation and Impairment Losses	0	(300)	(300)	0	(300)	(100.0%)	0	(300)
GROSS EXPENDITURE	45,911	(1,734)	44,177	46,842	(2,665)	(6.0%)	(2,127)	(540)
Income	(13,539)	203	(13,336)	(14,305)	969	7.3%	(223)	1,192
NET EXPENDITURE	32,372	(1,531)	30,841	32,537	(1,696)	(5.5%)	(2,350)	653

RENFREWSHIRE COUNCIL
 CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
 1st April to 16th September 2022
 POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

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		
ENVIRONMENT & INFRASTRUCTURE											
Cycling, Walking & Safer Routes	0	785	432	1,217	1,217	0	0%	1,467	1,467	0	0%
Roads/Footways Upgrade Programme	15,584	11,068	(28)	11,040	11,040	0	0%	39,180	39,180	0	0%
Safe Road Crossing	59	0	191	191	191	0	0%	250	250	0	0%
Vehicle Replacement Programme	0	2,257	236	2,493	2,493	0	0%	2,492	2,492	0	0%
Bridge Assessment/Strengthening	0	481	38	519	319	200	39%	520	320	200	38%
Lighting Columns Replacement	0	560	404	964	964	0	0%	964	964	0	0%
Traffic Management	0	100	83	183	183	0	0%	183	183	0	0%
Core pathways & cycle network	62	138	0	138	138	0	0%	200	200	0	0%
Parks Improvement Programme	2,142	63	97	160	160	0	0%	2,302	2,302	0	0%
Improvements to Outdoor Access and Play Area Programme	264	1,100	355	1,455	1,455	0	0%	1,718	1,718	0	0%
Multi Purpose Bins	60	20	0	20	20	0	0%	80	80	0	0%
Improvements to Cemetery Estate	1,220	141	179	320	320	0	0%	1,541	1,541	0	0%
Underwood Depot - Workshop Improvements	320	0	2	2	2	0	0%	322	322	0	0%
Clyde Mission Fund - Renfrew Riverside to Paisley TC Active Travel Route	33	970	32	1,002	1,202	(200)	-20%	1,035	1,235	-200	-19%
Renewal of Play Parks	0	0	313	313	313	0	0%	1,849	1,849	0	0%
Nature Restoration Fund	1	0	156	156	156	0	0%	157	157	0	0%
Recycle Improvement Fund	0	0	346	346	346	0	0%	346	346	0	0%
Strathclyde Partnership Transport	0	0	1,060	1,060	1,060	0	0%	1,060	1,060	0	0%
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	19,745	17,683	3,896	21,579	21,579	0	0%	55,666	55,666	0	0%