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**To:** Leadership Board

**On:** 16 June 2021

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

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**Heading:** Revenue and Capital Budget Monitoring as at 6 March 2021

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## 1. Summary of Financial Position

- 1.1. The table below outlines the projected Revenue and Capital outturn position as at 31 March 2021 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 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.

<b>Table 1: Revenue</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>
Adult Services	72,259	70,419	0	70,419	1,840	2.5%
Chief Executives <sup>(1)</sup>	21,583	22,049	(320)	21,729	(146)	0.7%

(1) Following a service restructure in January 2021 the budget for Paisley Legacy is now within the remit of the Chief Executive having transferred from the Director of Communities & Housing Services and therefore no longer requires to be separately detailed.

<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>
Chief Executives	£17,822	£17,822	£0	<b>£17,822</b>	£0	0%
Leisure Services	£475	£475	£0	<b>£475</b>	£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 underspend of £1.694m (1.8% 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 the HSCP:
  - RL remains impacted by the national and local restrictions implemented by the Scottish Government in response to the COVID crisis and continues to experience operational restrictions with resulting reduced revenue generation. It is forecast that the Council will require to provide RL with up to an additional £0.6m of financial support and this is reflected within the reported figures. This position is improved from that previously reported predominantly due to furlough income received, however RL continues to try and mitigate this position.

- Within adult services managed by Renfrewshire HSCP, the service has been required to take unprecedented measures in response to the coronavirus pandemic, including substantial levels of support to external care providers in order to ensure their ongoing financial sustainability. As at period 12, the service estimates that costs of £8.2m will be incurred specifically in relation to COVID-19 by the end of the financial year, with approximately £5.5m of this cost being related to financial sustainability payments to private adult and elderly care providers. The Scottish Government has provided confirmation that all reasonable additional costs associated specifically with the crisis will be fully funded and funding is flowing to HSCP's on this basis. In this context, additional costs specifically relating to the COVID response are not therefore included within this report with the clear expectation that these costs will be funded directly by the Scottish Government. Outwith COVID19 specific costs, the service is forecasting a £1.84m underspend on core service provision primarily due to vacancies across a range of service areas

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

Members are requested to note from Appendix 1 that budget adjustments totalling £0.056m have been processed since the last report, which reflect a net transfer to reserves for programmes which span over two financial years.

#### **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.
- 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 £4.086m 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 £0.619m.
- 5.4. Further detail, including reasons for significant variances, can be found at Appendix 3.

#### **6. Capital Budget Adjustments**

- 6.1. Since the last report, budget changes in totalling £4.705m have arisen which reflect the following:

Budget brought forward to 2020-21 from 2021-22 (£0.426m)

- **Chief Executives**

- Town Centre Capital Fund (£0.426m) to reflect cash flow timings of grant payments.

Budget carried forward from 2020-21 to 2021-22 (£5.131m)

- **Chief Executives**
  - City Deal Projects (£3.877m) largely to reflect changes in the timing of work in the Glasgow Airport Investment Area project;
  - Paisley Venues and Infrastructure Projects (£0.635m) for timing of work expected to take place at the Learning & Cultural Hub and Paisley Town Hall in early 2021-22.
- **Leisure Services**
  - Leisure Investment & Grass Pitches (£0.540m) in anticipation of expected underspends within the projects;
  - Community Halls Refurbishment (£0.079m) for updated cashflows received for the project.

## Implications of this report

1. **Financial** – The projected budget outturn position for Leadership Board Revenue budget is an underspend of £1.694m. 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.

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**List of Background Papers**

Revenue Budget and Council Tax 2020/21      Council 9<sup>th</sup> March 2020

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2020/21 to 2022/23  
Council, 9<sup>th</sup> March 2020.

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



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April to 5th March 2021**

**POLICY BOARD : LEADERSHIP BOARD**

Objective Summary	Revised Annual Budget at Period 10	New 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
Adult Services	72,259	0	72,259	70,419	0	70,419	1,840	2.5%	2,830	(990)
Chief Executive's Service	21,639	(56)	21,583	22,049	(320)	21,729	(146)	(0.7%)	(960)	814
<b>NET EXPENDITURE</b>	<b>93,898</b>	<b>(56)</b>	<b>93,842</b>	<b>92,468</b>	<b>(320)</b>	<b>92,148</b>	<b>1,694</b>	<b>1.8%</b>	<b>1,870</b>	<b>(176)</b>

Subjective Summary	Revised Annual Budget at Period 10	New 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	41,849	30	41,879	41,093	891	41,984	(105)	(0.3%)	2,060	(2,165)
Premises Related	1,054	134	1,188	969	293	1,262	(74)	(6.2%)	101	(175)
Transport Related	842	0	842	515	0	515	327	38.8%	244	83
Supplies and Services	15,328	84	15,412	14,684	531	15,215	197	1.3%	(38)	235
Third Party Payments	67,723	(49)	67,674	60,422	5,392	65,814	1,860	2.7%	7,148	(5,288)
Transfer Payments	6,757	(166)	6,591	6,852	777	7,629	(1,038)	(15.7%)	59	(1,097)
Support Services	116	0	116	85	0	85	31	26.7%	23	8
Depreciation and Impairment Losses	0	0	0	104	0	104	(104)	0.0%	0	(104)
<b>GROSS EXPENDITURE</b>	<b>133,669</b>	<b>33</b>	<b>133,702</b>	<b>124,724</b>	<b>7,884</b>	<b>132,608</b>	<b>1,094</b>	<b>0.8%</b>	<b>9,597</b>	<b>(8,503)</b>
Income	(39,771)	(89)	(39,860)	(32,256)	(8,204)	(40,460)	600	1.5%	(7,727)	8,327
<b>NET EXPENDITURE</b>	<b>93,898</b>	<b>(56)</b>	<b>93,842</b>	<b>92,468</b>	<b>(320)</b>	<b>92,148</b>	<b>1,694</b>	<b>1.8%</b>	<b>1,870</b>	<b>(176)</b>



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
1st April to 5th March 2021

**POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES**

Objective Summary	Revised Annual Budget at Period 10	New 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
Older People	46,111	(34)	46,077	45,428	0	45,428	649	1.4%	1,895	(1,246)
Physical or Sensory Difficulties	6,565	12	6,577	6,501	0	6,501	76	1.2%	(130)	206
Learning Difficulties	16,024	22	16,046	15,497	0	15,497	549	3.4%	454	95
Mental Health Needs	2,879	0	2,879	2,390	0	2,390	489	17.0%	524	(35)
Addiction Services	680	0	680	603	0	603	77	11.3%	87	(10)
<b>NET EXPENDITURE</b>	<b>72,259</b>	<b>0</b>	<b>72,259</b>	<b>70,419</b>	<b>0</b>	<b>70,419</b>	<b>1,840</b>	<b>2.5%</b>	<b>2,830</b>	<b>(990)</b>

Objective Heading	Key Reasons for Projected Variance
Older People	Underspends in employee costs reflecting vacancies due to recruitment issues. Under occupancy in external care homes due to COVID pandemic.
Physical or Sensory Difficulties	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 2020/21**  
**1st April to 5th March 2021**

**POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES**

Subjective Summary	Revised Annual Budget at Period 10	New 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	33,226	24	33,250	32,370	988	33,358	(108)	(0.3%)	1,939	(2,047)
Premises Related	512	134	646	360	293	653	(7)	(1.1%)	156	(163)
Transport Related	840	0	840	515	0	515	325	38.7%	244	81
Supplies and Services	2,608	61	2,669	1,768	827	2,595	74	2.8%	892	(818)
Third Party Payments	67,605	(49)	67,556	60,304	5,392	65,696	1,860	2.8%	7,148	(5,288)
Transfer Payments	3,277	(81)	3,196	2,403	777	3,180	16	0.5%	835	(819)
Support Services	70	0	70	56	0	56	14	20.0%	11	3
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>108,138</b>	<b>89</b>	<b>108,227</b>	<b>97,776</b>	<b>8,277</b>	<b>106,053</b>	<b>2,174</b>	<b>2.0%</b>	<b>11,225</b>	<b>(9,051)</b>
Income	(35,879)	(89)	(35,968)	(27,357)	(8,277)	(35,634)	(334)	(0.9%)	(8,395)	8,061
<b>NET EXPENDITURE</b>	<b>72,259</b>	<b>0</b>	<b>72,259</b>	<b>70,419</b>	<b>0</b>	<b>70,419</b>	<b>1,840</b>	<b>2.5%</b>	<b>2,830</b>	<b>(990)</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
1st April to 5th March 2021

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

Objective Summary	Revised Annual Budget at Period 10	New 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
Chief Executive and Management	366	(1)	365	359	2	361	4	1.1%	(9)	13
Policy and Commissioning	4,734	(55)	4,679	4,851	(106)	4,745	(66)	(1.4%)	(126)	60
Marketing and Communications	3,221	0	3,221	3,160	(927)	2,233	988	30.7%	1,076	(88)
City Deal	0	0	0	0	0	0	0	0.0%	0	0
Regeneration and Economic Development	2,278	0	2,278	2,636	110	2,746	(468)	(20.5%)	(400)	(68)
Leisure Services (incl Renfrewshire Leisure)	11,040	0	11,040	11,043	601	11,644	(604)	(5.5%)	(1,501)	897
<b>NET EXPENDITURE</b>	<b>21,639</b>	<b>(56)</b>	<b>21,583</b>	<b>22,049</b>	<b>(320)</b>	<b>21,729</b>	<b>(146)</b>	<b>(0.7%)</b>	<b>(960)</b>	<b>814</b>

Objective Heading	Key Reasons for Projected Variance
Policy and Commissioning	The adverse variance will be funded by a further drawdown from earmarked reserves and set against expenditure on Tackling Poverty and the Community Empowerment Fund.
Marketing and Communications	The favourable variance has arisen mainly as a result of the net reduction in costs from the cancellation of the Renfrewshire Council events programme for 2020.
Regeneration and Economic Development	The majority of the adverse variance represents the team costs of delivering the Council's Cultural Infrastructure strategic investment programme and will be met by a drawdown at the year end. (Note: following a service restructure in future reports these costs will be reported with City Deal.)
Leisure Services (incl Renfrewshire Leisure)	The projected costs of supporting Renfrewshire Leisure with a revised level of requisition as a result of the net impact of income loss and decreased costs incurred as a result of the closure of facilities during the lockdown period; offset by furlough income.

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April to 5th March 2021**

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

Subjective Summary	Revised Annual Budget at Period 10	New 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	8,623	6	8,629	8,723	(97)	8,626	3	0.0%	121	(118)
Premises Related	542	0	542	609	0	609	(67)	(12.4%)	(55)	(12)
Transport Related	2	0	2	0	0	0	2	100.0%	0	2
Supplies and Services	12,720	23	12,743	12,916	(296)	12,620	123	1.0%	(930)	1,053
Third Party Payments	118	0	118	118	0	118	0	0.0%	0	0
Transfer Payments	3,480	(85)	3,395	4,449	0	4,449	(1,054)	(31.0%)	(776)	(278)
Support Services	46	0	46	29	0	29	17	37.0%	12	5
Depreciation and Impairment Losses	0	0	0	104	0	104	(104)	0.0%	0	(104)
<b>GROSS EXPENDITURE</b>	<b>25,531</b>	<b>(56)</b>	<b>25,475</b>	<b>26,948</b>	<b>(393)</b>	<b>26,555</b>	<b>(1,080)</b>	<b>(4.2%)</b>	<b>(1,628)</b>	<b>548</b>
Income	(3,892)	0	(3,892)	(4,899)	73	(4,826)	934	24.0%	668	266
<b>NET EXPENDITURE</b>	<b>21,639</b>	<b>(56)</b>	<b>21,583</b>	<b>22,049</b>	<b>(320)</b>	<b>21,729</b>	<b>(146)</b>	<b>(0.7%)</b>	<b>(960)</b>	<b>814</b>

**RENFREWSHIRE COUNCIL**  
**CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES**  
**1st April to 5th March 2021**  
**POLICY BOARD: LEADERSHIP**

Project Title	Prior Years Expenditure to 31/03/2020*  £000	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21  £000	Budget Adjustments in 2020-21  £000	Revised Budget 2020-21  £000	Projected Outturn 2020-21  £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-25 £000	Projected Outturn to 31-Mar-25 £000	Budget Variance (Adverse) or Favourable	
<b>LEISURE SERVICES</b>											
Leisure Investment Programme	52,266	334	-322	12	12	0	0%	52,600	52,600	0	0%
Grass Pitches & Changing Facilities	3,564	637	-219	418	418	0	0%	4,201	4,201	0	0%
Community Halls Refurbishment	19	124	-79	45	45	0	0%	2,536	2,536	0	0%
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	500	500	0	0%
<b>Total Leisure Services</b>	<b>55,849</b>	<b>1,095</b>	<b>-620</b>	<b>475</b>	<b>475</b>	<b>0</b>	<b>0%</b>	<b>59,837</b>	<b>59,837</b>	<b>0</b>	<b>0%</b>
<b>CHIEF EXECUTIVES</b>											
<b>City Deal Projects</b>											
Glasgow Airport Investment Area	21,931	15,340	-5,035	10,305	10,305	0	0%	42,819	42,819	0	0%
Clyde Waterfront & Renfrew Riverside	15,116	17,921	-17,249	672	672	0	0%	90,680	90,680	0	0%
Airport Access	2,934	1,202	-1,202	0	0	0	0%	98,629	98,629	0	0%
<b>Economic Development</b>											
GAIA Regeneration	0	2,000	109	2,109	2,109	0	0%	5,500	5,500	0	0%
AMIDS: Public Realm Phase 1 Netheron Square	89	2,277	-2,148	129	129	0	0%	2,974	2,974	0	0%
<b>Paisley Venues &amp; Town Centre Infrastructure</b>											
Paisley Art Centre Redevelopment	233	400	-395	5	5	0	0%	2,800	2,800	0	0%
Paisley Town Hall Redevelopment	1,613	3,366	-2,030	1,336	1,336	0	0%	22,650	22,650	0	0%
Flexible Outdoor Facility/Travel & Accessibility Infrast	266	2,519	-2,443	76	76	0	0%	9,700	9,700	0	0%
Playing Fields and Sports Development	392	1,404	-1,391	13	13	0	0%	7,500	7,500	0	0%
Paisley Museum	9,356	5,616	-4,267	1,349	1,349	0	0%	45,876	45,876	0	0%
Town Centre Capital Fund	329	1,333	-387	946	946	0	0%	4,236	4,236	0	0%
Paisley Learning & Cultural Hub	1,593	2,802	-2,685	117	117	0	0%	7,000	7,000	0	0%
Retail Improvement Fund	0	0	0	0	0	0	0%	0	0	0	0%
Townscape Heritage CARS 2	911	2,285	-1,520	765	765	0	0%	4,099	4,099	0	0%
<b>Total Chief Executives</b>	<b>54,763</b>	<b>58,465</b>	<b>(40,643)</b>	<b>17,822</b>	<b>17,822</b>	<b>0</b>	<b>0%</b>	<b>344,463</b>	<b>344,463</b>	<b>0</b>	<b>0%</b>
<b>TOTAL LEADERSHIP BOARD</b>	<b>110,612</b>	<b>59,560</b>	<b>(41,263)</b>	<b>18,297</b>	<b>18,297</b>	<b>0</b>	<b>0%</b>	<b>404,300</b>	<b>404,300</b>	<b>0</b>	<b>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 £25.525m 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.
Town Centre Capital Fund	£2.250m of the additional funding approved by Council on March 9th has been reprofiled into 2020-21 in order to prioritise expenditure for the grant awarded by Scottish Government which requires to be fully committed by 31 March 2021.