

To: Leadership Board

On: 22 February 2023

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

Heading: Revenue and Capital Budget Monitoring as at 11 November 2022

1. Summary of Financial Position

- 1.1. The projected revenue outturn at 31 March 2023 for those services reporting to the Leadership Board is an underspend position of £0.186m.
- 1.2. The projected capital outturn at 31 March 2023 for projects reporting to the Leadership Board is a breakeven position against the revised budget for the year.
- 1.3. This is summarised in the table below and further analysis is provided in the Appendices.

Table 1: Revenue				
Division	Revised Annual Budget £000	Projected Annual Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Adult Services	93,607	92,586	1,021	1.1%
Chief Executives	20,363	21,198	(835)	(4.1%)
Total	113,970	113,784	186	0.2%

Table 2: Capital				
Division	Revised Annual Budget £000	Projected Annual Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Chief Executives	44,808	44,808	0	0%
Leisure Services	2,386	2,386	0	0%
Total	47,194	47,194	0	0%

2. Recommendations

2.1. Members are requested to:

- (a) Note the projected Revenue outturn position detailed in Table 1 above;
- (b) Note the projected Capital outturn position detailed in Table 2 above;
and
- (c) 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 £0.186m (0.2% of total budget) for all services reporting to this Board. Detailed division 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 are outlined below:
 - OneRen continues to experience increased cost and reduced revenue generation in the short to medium term as a result of both temporary and more permanent behavioural changes as the recovery from COVID progresses. In addition the level of pay award agreed for 2022/23 is in excess of the level of budgetary provision made, resulting in an increased forecast overspend. OneRen is also facing steeply increasing utilities costs which are currently being managed within existing resources through close financial management. The Board and management team of OneRen continue to put measures in place to mitigate the level of financial support required.
 - 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.

At Period 8, the service estimates that costs of £3.12m will be incurred specifically in relation to COVID-19 Adult Social Care services by the end of the financial year; this includes costs related to financial sustainability payments to private adult and elderly care providers. T

The projected costs are however based on the current position and may change depending on any further impact of COVID on internal and externally provided services. The Scottish Government provided the HSCP with additional COVID-19 funding in the final quarter of 2021/22, any uncommitted proportion of which will require to be returned to the Scottish Government over the course of 2022/23. This funding has been held as an earmarked reserve and will be utilised to fund COVID-19 costs incurred this financial year. In this context, additional costs specifically relating to the COVID-19 response are not therefore included within this report.

The Scottish Government has confirmed additional funding for local government to partly offset the overall financial impact of the pay settlement on local government budgets. This additional funding has been provided to local government as general grant and therefore each individual Council is free to deploy these resources locally to reflect local financial requirements and priorities. In this context, and reflecting the projected year end underspend for Adult Services in 2022/23 as outlined in this report (which takes into account the full year impact of the pay uplift for all Council employees), and the significant in year projected overspend being reported by the Council, the IJB's financial allocation from the Council is not at this stage expected to be adjusted in 2022/23 and the impact of the settled pay award will be managed within existing resources.

4. Revenue Budget Adjustments

- 4.1. Members are asked to note from Appendix 1 that minor budget adjustments have been processed since the previous report to board.

5. Capital

- 5.1. The Capital Investment Programme 2022/23 to 2026/27 was approved by the Council on 3 March 2022.
- 5.2. For the Chief Executives Service, the approved capital spend for 2022/23 is £44.808m (£44.981m approved Capital Plan). For Leisure Services, the approved capital spend for 2022/23 is £2.386m (£0.754m approved Capital Plan).
- 5.3. Further detail, including reasons for significant variances, can be found at Appendix 3.

- 5.4. It is anticipated that due to both the impact of COVID-19 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 reported, it is anticipated that consequential cost pressures arising from COVID-19 will require to be addressed from specific earmarked reserve balances.

6. Capital Budget Adjustments

- 6.1. Since the 2022/23 budget was approved in March, budget adjustments totalling £1.459m have arisen. Within Chief Executives, £6.015m of these adjustments have occurred since the previous board report as a result of:

Budget carried forward into 2023/24 from 2022/23 (£6.015m) as result of updated cash flows:

- Clyde Waterfront and Renfrew Riverside: (£5.353m);
- AMIDS: South (£0.662m).

Implications of this report

1. **Financial** – The projected budget outturn position for the revenue budget reported to the Leadership Board is an underspend of £0.186m. 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 capital budgets reported to the Leadership Board 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

The Capital Investment Programme 2022/23 to 2026/27 approved by the Council on 3 March 2022

Authors: Revenue - Valerie Howie, Finance Business Partner

Capital - Geoff Borland, Finance Manager

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 11 November 2022

POLICY BOARD : LEADERSHIP BOARD

Objective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Adult Services	93,607	0	93,607	92,586	1,021	1.1%	971	50
Chief Executive's Service	20,349	14	20,363	21,198	(835)	(4.1%)	(278)	(557)
NET EXPENDITURE	113,956	14	113,970	113,784	186	0.2%	693	(507)

Subjective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	42,065	2,046	44,111	43,429	682	1.5%	(9,048)	9,730
Premises Related	815	0	815	868	(53)	(6.5%)	(112)	59
Transport Related	836	1	837	488	349	41.7%	383	(34)
Supplies and Services	15,433	89	15,522	16,269	(747)	(4.8%)	(219)	(528)
Third Party Payments	76,307	139	76,446	77,173	(727)	(1.0%)	472	(1,199)
Transfer Payments	8,344	(1,914)	6,430	6,098	332	5.2%	90	242
Support Services	76	15	91	75	16	17.6%	3	13
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	143,876	376	144,252	144,400	(148)	(0.1%)	(8,431)	8,283
Income	(29,920)	(362)	(30,282)	(30,616)	334	1.1%	10,220	(9,886)
NET EXPENDITURE	113,956	14	113,970	113,784	186	0.2%	1,789	(1,603)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 11 November 2022

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Objective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Older People	60,563	(416)	60,147	60,993	(846)	(1.4%)	(521)	(325)
Physical or Sensory Difficulties	7,500	36	7,536	7,338	198	2.6%	87	111
Learning Difficulties	20,969	282	21,251	20,011	1,240	5.8%	1,149	91
Mental Health Needs	3,825	45	3,870	3,433	437	11.3%	255	182
Addiction Services	750	53	803	811	(8)	(1.0%)	1	(9)
NET EXPENDITURE	93,607	0	93,607	92,586	1,021	1.1%	971	50

Objective Heading	Key Reasons for Projected Variance
Older People	Spend within care at home continues to increase as the service continues to support delayed discharges and demand.
Physical or Sensory Difficulties	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care offset with the
Learning Difficulties	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Mental Health Needs	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 11 November 2022

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Subjective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	36,987	1,965	38,952	38,291	661	1.7%	(1,016)	1,677
Premises Related	442	0	442	493	(51)	(11.5%)	(51)	0
Transport Related	835	1	836	487	349	41.7%	371	(22)
Supplies and Services	2,131	89	2,220	2,100	120	5.4%	73	47
Third Party Payments	76,181	139	76,320	77,047	(727)	(1.0%)	(1,082)	355
Transfer Payments	6,112	(1,847)	4,265	3,933	332	7.8%	1,258	(926)
Support Services	72	15	87	71	16	18.4%	3	13
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	122,760	362	123,122	122,422	700	0.6%	(444)	1,144
Income	(29,153)	(362)	(29,515)	(29,836)	321	1.1%	1,415	(1,094)
NET EXPENDITURE	93,607	0	93,607	92,586	1,021	1.1%	971	50

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 11 November 2022

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Objective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive and Management	268	31	299	296	3	1.0%	1	2
Policy and Commissioning	4,576	51	4,627	4,616	11	0.2%	42	(31)
Marketing and Communications	3,771	(68)	3,703	3,694	9	0.2%	21	(12)
City Deal & Infrastructure	0	0	0	0	0	0.0%	0	0
Leisure Services (incl Renfrewshire Leisure)	11,734	0	11,734	12,592	(858)	(7.3%)	(342)	(516)
NET EXPENDITURE	20,349	14	20,363	21,198	(835)	(4.1%)	(278)	(557)

Objective Heading	Key Reasons for Projected Variance
Chief Executive and Management	No significant projected year end variances to report.
Policy and Commissioning	No significant projected year end variances to report.
Marketing and Communications	No significant projected year end variances to report.
City Deal & Infrastructure	No significant projected year end variances to report.
Leisure Services (incl Renfrewshire Leisure)	The projected overspend position reflects the significant challenges OneRen continues to face following the pandemic and its impact on commercial income, in addition to the higher level of pay award now agreed for 2022/23.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 11 November 2022

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Subjective Summary	Approved Annual Budget at Period 6	Budget Adjustments	Revised Annual Budget at Period 8	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	5,078	81	5,159	5,138	21	0.4%	72	(51)
Premises Related	373	0	373	375	(2)	(0.5%)	(2)	0
Transport Related	1	0	1	1	0	0.0%	0	0
Supplies and Services	13,302	0	13,302	14,169	(867)	(6.5%)	(359)	(508)
Third Party Payments	126	0	126	126	0	0.0%	0	0
Transfer Payments	2,232	(67)	2,165	2,165	0	0.0%	(2)	2
Support Services	4	0	4	4	0	0.0%	0	0
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	21,116	14	21,130	21,978	(848)	(4.0%)	(291)	(557)
Income	(767)	0	(767)	(780)	13	1.7%	13	0
NET EXPENDITURE	20,349	14	20,363	21,198	(835)	(4.1%)	(278)	(557)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 11th November 2022
POLICY BOARD: LEADERSHIP

Project Title	Include prior	Project Code	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 £000	Projected Outturn to 31-Mar-27 £000	Budget Variance (Adverse) or Favourable	
				£000	£000	£000	£000			£000	£000		
LEISURE SERVICES													
Leisure Investment Programme	y	LGL01	52,279	0	321	321	321	0	0%	52,600	52,600	0	0%
Grass Pitches & Changing Facilities	y	LU000GPTHCF	3,872	0	369	369	369	0	0%	4,241	4,241	0	0%
Community Halls Refurbishment	y	LGL02CMMRFB	1,710	754	942	1,696	1,696	0	0%	3,433	3,433	0	0%
Lagoon Internal Play Centre	y	LIPC	0	0	0	0	0	0	0%	1,000	1,000	0	0%
Total Leisure Services			57,861	754	1,632	2,386	2,386	0	0%	61,274	61,274	0	0%
CHIEF EXECUTIVES													
City Deal Projects													
Glasgow Airport Investment Area	y	DGD01GLARIA	38,662	2,314	1,934	4,248	4,248	0	0%	43,053	43,053	0	0%
Clyde Waterfront & Renfrew Riverside	y	DGD01CWREVR	21,821	37,714	-8,908	28,806	28,806	0	0%	117,748	117,748	0	0%
Airport Access	y	DGD01AIRACC	2,934	0	0	0	0	0	0%	141,991	141,991	0	0%
Economic Development													
GAIA Regeneration	y	3AIA Regeneration	2,109	0	1,891	1,891	1,891	0	0%	5,500	5,500	0	0%
AMIDS: Public Realm Phase 1 Netheron Square	y	DGD11AMID01	246	2,726	962	3,688	3,688	0	0%	3,933	3,933	0	0%
AMIDS: District Heating Network	y	DGD11DISTHN	3,882	2,007	1,204	3,211	3,211	0	0%	7,093	7,093	0	0%
AMIDS: South	y	AMIDSSouth	415	220	2,744	2,964	2,964	0	0%	42,328	42,328	0	0%
Total Chief Executives			70,069	44,981	(173)	44,808	44,808	0	0%	361,646	361,646	0	0%
TOTAL LEADERSHIP BOARD			127,930	45,735	1,459	47,194	47,194	0	0%	422,920	422,920	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.