
To: Infrastructure, Land and Environment Policy Board
On: 30 August 2023

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

Heading: Revenue and Capital Budget Monitoring as at 23 June 2023

1. Summary of Financial Position

- 1.1. The projected Revenue outturn as at 31 March 2024 for Infrastructure, Land and Environment is an overspend position of £2.348m (7.6%) against the revised budget for the year.
- 1.2. The projected Capital outturn as at 31 March 2024 for Infrastructure, Land and Environment 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 attached appendices.

Table 1: Revenue				
Division	Revised Annual Budget	Total Projected Outturn	Budget Variance (Adv)/Fav	Budget Variance
	£000	£000	£000	%
Environment and Infrastructure	30,806	33,154	(2,348)	(7.6%)

Table 2: Capital				
Division	Revised Annual Budget	Total Projected Outturn	Budget Variance (Adv)/Fav	Budget Variance
	£000	£000	£000	%
Environment and Infrastructure	16,676	16,676	0	0%

2. Recommendations

It is recommended that the Infrastructure, Land and Environment Policy Board:

- 2.1 Note the projected Revenue outturn position as detailed in Table 1 above;
 - 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.
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3 Revenue

- 3.1 The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £2.348m (7.6% 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, refuse collection costs that are largely driven by inflationary pressures, absence cover as a result of annual leave and sick leave, and the impact of other inflationary pressures across the services.
- 3.5 It should also be noted that additional expenditure has been incurred as a result of ongoing tree management work that the Streetscene team is legally obligated to carry out. However, further analysis is required to be undertaken and the detailed report also being presented to this board provides further background information, including the estimated financial costs.

4 Revenue Budget Adjustments

- 4.1 Since the last report there have been net budget adjustments of £317k, reflecting a number of savings targets for 2023/24 incorporated into the reported position, as well as a drawdown from reserves.

5 Capital

- 5.1 The Capital Investment Programme 2023/24 to 2027/28 was approved by the Council on 2 March 2023. The approved spend for 2023/24 at that time was £11.868m.
- 5.2 The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £4.808m. This mainly arises from new grant funding for projects including Cycling, Walking & Safer Routes and Strathclyde Passenger Transport and budget carried into 2023/24.
- 5.3 The projected outturn at 31 March 2024 is to break-even.
- 5.4 Further detail, including reasons for significant variances, can be found at Appendix 2.

6 Capital Budget Adjustments

- 6.1 Since the last report, budget adjustments of £4.808m have arisen, which reflect the following changes:
 - Net budget reprofiled from 2022/23 to 2023/24 £0.721m to reflect updated cash flows for the following projects;
 - Roads Footways £0.374m;
 - Vehicle Replacement Programme £0.124m;
 - Bridge Assessment/Strengthening (£0.133m);
 - Light Columns Replacement £0.053m;
 - Traffic Management £0.061m;
 - Core Pathways & Cycle Network £0.051m;
 - Improvement to Outdoor Access £0.160m;
 - Nature Restoration Fund £0.031m.
 - Budget increases in 2023/24 £4.087m:
 - Cycle, Walking & Safer Routes - £0.363m for grant awarded from Active Travel
 - Roads and Footways - £0.500m funding from Investment Capital Fund to meet committed costs for 2023/24;
 - Traffic Management £0.300m for capital element of funding approved by Council on 2 March 2023 to support delivery of roads improvements and traffic reduction measures;
 - Public Litter Bin Replacement - £0.090m to reflect funding approved by Council on 2 March 2023 to support first year of public litter bin replacement programme;
 - Renewal of Play Parks - £0.350m for capital element of play park renewals approved by Council on 2 March 2023;

- Nature Restoration Fund - £0.199m for Scottish Government Grant award for 2023/24;
 - Strathclyde Passenger Transport - £1.485m for grant funding awarded by Strathclyde Passenger Transport.
 - Roads and Footways - £0.800m brought forward from 2024/2025 to support commitment costs.
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Implications of this report

1. **Financial** – The projected outturn position for the Infrastructure, Land and Environment Revenue budget is an overspend of £2.348m.

The projected outturn position for the Infrastructure, Land and Environment Capital budget is a break-even position.

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 2023/24. Council, 2 March 2023

Non Housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2023/24 – 2027/28. Council, 2 March 2023.

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 23 June 2023

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget at Period 3	Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	%
Directorate and Service Co-ordination	1,293	(22)	1,271	1,101	170	13.4%
Refuse Collection	5,727	(961)	4,766	5,811	(1,045)	(21.9%)
Household Waste Recycling Centres	806	130	936	1,019	(83)	(8.9%)
Refuse Disposal	7,052	(6)	7,046	7,120	(74)	(1.1%)
Streetscene	6,104	711	6,815	7,137	(322)	(4.7%)
Sustainability and Place	653	(210)	443	465	(22)	(5.0%)
Fleet Services	(84)	0	(84)	12	(96)	(114.3%)
Social Transport	1,597	0	1,597	1,565	32	2.0%
Roads Operations	3,075	(10)	3,065	3,019	46	1.5%
Infrastructure and Assets	1,832	12	1,844	1,876	(32)	(1.7%)
Transportation & Development	1,028	22	1,050	1,050	0	0.0%
Parking of Vehicles	(1,128)	(53)	(1,181)	(259)	(922)	(78.1%)
Strathclyde Partnership for Transport Requisition	3,168	70	3,238	3,238	0	0.0%
NET EXPENDITURE	31,123	(317)	30,806	33,154	(2,348)	(7.6%)

Objective Heading	Key Reasons for Projected Variance
Waste Services	<p>This reflects the financial position for Refuse Collection, Refuse Disposal and Household Waste Recycling Centres. In the main the overspend relates to increased costs relating to bins, caddies and bin liner supplies. Both Streetscene and Waste Services are currently experiencing high levels of overtime that is likely to continue throughout this financial year. This is due to two additional annual leave days within the pay award, additional public holidays and 2024 being a leap year, (6 extra days). In addition, the LGV driver training referred to in the Operational Performance Report will result in a further 4 days to be covered for drivers. In addition, there has been a reduction in demand for special uplifts, as well as increased tonnage costs despite reduced levels of waste being disposed of, resulting in an overspend on the Clyde Valley Waste contract. However, the market is highly volatile and as a result this will be closely monitored through the remainder of the year. The finance team is working closely with the service to review the current methods of projecting the tonnages for each of the waste streams.</p>
Streetscene	<p>The current projected overspend within Streetscene largely relates to additional tree management and associated health and safety issues, such as tree inspections and tree health monitoring, including Ash Dieback and Larch infection activities. It should be noted that the level of work with regards to the tree management activities being undertaken has increased significantly and this has been reflected into the revised outturn position. Like other areas within the service, the projected outturn is showing inflationary pressures in other supplies and services. This will be closely monitored through the remainder of the financial year. A report will be present to ILE on 30 August 2023 with regards to Tree Management.</p>
Social Transport	<p>The service is reflecting a projected underspend mainly as a result of vacancies. However, it should be noted that this will be monitored throughout the remainder of the financial year and any changes will be reported to future boards.</p>
Infrastructure and Assets	<p>The current forecast reflects a projected overspend as a result reduced construction consent income being offset by a projected over-recovery in sales, fees and charges. Due to the income generated in sales, fees and charges being of a reactive nature, this is an area that is difficult to predict, however this position will be closely monitored for the remainder of the financial year.</p>

Parking of Vehicles	Off-street parking charges have been reintroduced for a significant period of time, however on and off street parking income and fine recovery remain significantly lower than pre-pandemic levels and this is expected to continue for the rest of the financial year. In 2022/23 an under recovery of £1m was incurred, with a similar amount being forecast for 2023/24. Assuming there is no change, the under-recovery is expected to continue for 2023/24. It should be noted that the position will be closely monitored throughout the year, with an expected drawdown from ringfenced reserves being actioned if required at the end of the financial year to cover any shortfall that may result during 2023/24.
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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 23 June 2023

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget at Period 3	Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	%
Employees	22,642	319	22,961	23,526	(565)	(2.5%)
Premises Related	1,023	200	1,223	1,324	(101)	(8.3%)
Transport Related	5,902	15	5,917	6,147	(230)	(3.9%)
Supplies and Services	11,965	42	12,007	13,000	(993)	(8.3%)
Third Party Payments	3,201	70	3,271	3,259	12	0.4%
Transfer Payments	108	0	108	148	(40)	(37.0%)
Support Services	34	0	34	46	(12)	(35.3%)
Depreciation and Impairment Losses	0	0	0	0	0	0.0%
GROSS EXPENDITURE	44,875	646	45,521	47,450	(1,929)	(4.2%)
Income	(13,752)	(963)	(14,715)	(14,296)	(419)	(2.8%)
NET EXPENDITURE	31,123	(317)	30,806	33,154	(2,348)	(7.6%)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 23rd June 2023
POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

Project Title	Prior Years Expenditure to 31/03/2023 £000	Current Year 2023-24						Full Programme - All years				
		Approved Budget 2023-24 £000	Budget Adjustments in 2023-24 £000	Revised Budget 2023-24 £000	Projected Outturn 2023-24 £000	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		
ENVIRONMENT & INFRASTRUCTURE												
Cycling, Walking & Safer Routes	0	786	363	1,149	1,149	0	0%	1,149	1,149	0	0%	
Roads/Footways Upgrade Programme	73,464	5,848	1,674	7,522	7,522	0	0%	81,785	81,785	0	0%	
Vehicle Replacement Programme	0	2,235	124	2,359	2,359	0	0%	2,359	2,359	0	0%	
Bridge Assessment/Strengthening	0	680	(133)	547	547	0	0%	547	547	0	0%	
Lighting Columns Replacement	0	1,012	53	1,065	1,065	0	0%	1,065	1,065	0	0%	
Traffic Management	0	0	361	361	361	0	0%	361	361	0	0%	
Core pathways & cycle network	85	64	51	115	115	0	0%	200	200	0	0%	
Parks Improvement Programme	2,237	63	2	65	65	0	0%	2,302	2,302	0	0%	
Improvements to Outdoor Access and Play Area Program	1,553	161	160	321	321	0	0%	1,873	1,873	0	0%	
Multi Purpose Bins	60	20	0	20	20	0	0%	80	80	0	0%	
Public Litter Bin Replacement Programme	0	0	90	90	90	0	0%	90	90	0	0%	
Improvements to Cemetery Estate	1,238	305	(2)	303	303	0	0%	1,541	1,541	0	0%	
Renewal of Play Parks	158	307	350	657	657	0	0%	2,044	2,044	0	0%	
Nature Restoration Fund	191	387	230	617	617	0	0%	808	808	0	0%	
Strathclyde Partnership Transport	0	0	1,485	1,485	1,485	0	0%	1,485	1,485	0	0%	
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	78,986	11,868	4,808	16,676	16,676	0	0%	97,689	97,689	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.