

To: Infrastructure, Land and Environment Policy Board
On: 24 January 2024

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

Heading: Revenue and Capital Budget Monitoring as at 10 November 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 £3.160m (9.7%) 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 £000	Total Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Environment and Infrastructure	32,485	35,644	(3,160)	(9.7%)

Table 2: Capital				
Division	Revised Annual Budget £000	Total Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Environment and Infrastructure	17,494	17,494	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 £3.160m (9.7% 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.

4 Revenue Budget Adjustments

- 4.1 Since the last report there have been net budget adjustments of £0.195m, reflecting the transfer of funding in relation to additional public holidays in 2023/24, which have resulted in overtime costs being incurred.

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 £16.676m.

- 5.2 The Capital Monitoring report at Appendix 2 indicates a revised budget for 2023/24 of £17.494m.
- 5.3 The projected outturn at 31 March 2024 is a break-even position.
- 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 (£0.684m) have arisen, which reflect the following changes:
- Net budget carried forward from 2023/24 to 2024/25 of (£1.386m) to reflect updated cash flows for the following projects;
 - Robertson Park Improvements - (£0.028m)
 - Enhance Council Owned Recreation Areas – (£0.046m)
 - Gateway Village Traffic Reduction Studies – (£0.035m)
 - Paisley to Renfrew Active Travel Route – (£0.250m)
 - Hawkhead Estate to Seedhill Road (Linside) Active Travel Link – (£0.100m)
 - North Renfrewshire Active Travel Inchinnan Drive to Glasgow Airport- (£0.270m)
 - Renewal of Play Parks – SG funded – (£0.307m)
 - Renewal of Play Parks - Council funded – (£0.350m)
 - Budget Increases in 2023/24 of £0.702m
 - Community Bus Fund - £0.051m
 - Strathclyde Partnership Transport - £0.351m
 - Lawn Tennis Association - £0.300m

Implications of this report

1. **Financial** – The projected outturn position for the Infrastructure, Land and Environment Revenue budget is an overspend of £3.160m.

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 the roads and footways network, and vehicles.
- 6. Information Technology**
None directly arising from this report.
- 7. Equality and Human Rights**
None directly arising from this report.
- 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 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 10 November 2023

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Objective Summary	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
Directorate and Service Co-ordination	1,366	0	1,366	1,342	24	1.8%	112	(88)
Refuse Collection	4,810	82	4,892	5,818	(926)	(18.9%)	(847)	(79)
Household Waste Recycling Centres	936	12	948	1,122	(175)	(18.4%)	(91)	(84)
Refuse Disposal	7,327	0	7,327	7,471	(144)	(2.0%)	(143)	(1)
Streetscene	7,215	90	7,305	7,348	(43)	(0.6%)	(111)	68
Sustainability and Place	432	0	432	473	(41)	(9.5%)	(74)	33
Fleet Services	(77)	11	(67)	219	(286)	(429.3%)	(313)	28
Social Transport	1,596	0	1,596	1,568	28	1.8%	41	(13)
Roads Operations	3,065	0	3,065	3,138	(73)	(2.4%)	26	(99)
Infrastructure and Assets	1,734	0	1,734	1,941	(207)	(11.9%)	(246)	39
Transportation & Development	1,037	0	1,037	1,073	(36)	(3.5%)	(76)	40
Parking of Vehicles	(1,181)	0	(1,181)	(53)	(1,128)	(95.5%)	(908)	(220)
Street Lighting Maintenance Work	382	0	382	536	(154)	(40.3%)	(140)	(14)
Energy Management Unit	410	0	410	410	0	0.0%	0	0
Strathclyde Partnership for Transport Requisition	3,238	0	3,238	3,238	0	0.0%	0	0
NET EXPENDITURE	32,290	195	32,485	35,644	(3,160)	(9.7%)	(2,770)	(390)

Objective Heading	Key Reasons for Projected Variance
Waste Services	This reflects the financial position for Refuse Collection, Refuse Disposal and Household Waste Recycling Centres. As reported previously, the overspend in the main, relates to the increased costs relating to overtime due to driver training, absence, additional leave and bins, caddies and bin liner supplies. Both Streetscene and Waste Services have experienced high levels of overtime. In addition, there has been a reduction in demand for special uplifts.
Fleet Services	The current projected overspend within Fleet Services, in the main reflects the impact inflationary impact on contractor, material and tyre costs. In addition, grant funding for the sustainable pool fleet has come to an end, with costs being borne by the service. This contributes £111k to the projected overspend.
Infrastructure and Assets	As previously reported, the current projected overspend is 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 with the finance team.
Parking of Vehicles	On and off street parking income and fine recovery remain significantly lower than pre-pandemic levels 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.
Street Lighting Maintenance Work	An overspend is projected for this service, which is predominantly on the repairs and maintenance of lighting columns, due to the increased cost of materials. This will be closely monitored throughout the remainder of the financial year with mitigating actions by management where required.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2023/24
1 April 2023 to 10 November 2023

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Subjective Summary	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	23,744	200	23,944	25,433	(1,490)	(6.2%)	(1,150)	(340)
Premises Related	1,226	0	1,226	1,468	(242)	(19.7%)	(127)	(115)
Transport Related	5,998	0	5,998	6,425	(427)	(7.1%)	(399)	(28)
Supplies and Services	13,137	1	13,138	14,864	(1,726)	(13.1%)	(1,094)	(632)
Third Party Payments	3,271	0	3,271	3,258	13	0.4%	12	1
Transfer Payments	114	0	114	170	(56)	(49.1%)	(39)	(17)
Support Services	35	0	35	50	(15)	(42.9%)	(11)	(4)
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	47,525	201	47,726	51,668	(3,943)	(8.3%)	(2,808)	(1,135)
Income	(15,235)	(6)	(15,241)	(16,024)	783	5.1%	38	745
NET EXPENDITURE	32,290	195	32,485	35,644	(3,160)	(9.7%)	(2,770)	(390)

RENFREWSHIRE COUNCIL
 CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
 1st April to 10th November 2023
 POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

Project Title	Prior Years Expenditure to 31/03/2023	Current Year 2023-24						Full Programme - All years					
		Budget at P6 2023-24	Budget Adjustments 0	Revised Budget 2023-24	Projected Outturn 2023-24	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	1,149	0	1,149	1,149	0	0%	786	786	0	0%		
Roads/Footways Upgrade Programme	73,464	7,522	0	7,522	7,522	0	0%	81,785	81,785	0	0%		
Vehicle Replacement Programme	0	2,156	0	2,156	2,156	0	0%	2,359	2,359	0	0%		
Paisley to Renfrew Active Travel Route	0	500	(250)	250	250	0	0%	500	500	0	0%		
Hawkhead Estate to Seedhill Road(Linside) Active Travel	0	200	(100)	100	100	0	0%	200	200	0	0%		
North Renfrewshire Active Travel Inchinnan Drive to Glasg	0	540	(270)	270	270	0	0%	540	540	0	0%		
Bridge Assessment/Strengthening	0	547	0	547	547	0	0%	547	547	0	0%		
Lighting Columns Replacement	0	1,065	0	1,065	1,065	0	0%	1,065	1,065	0	0%		
Traffic Management	0	361	0	361	361	0	0%	361	361	0	0%		
Core pathways & cycle network	85	115	0	115	115	0	0%	200	200	0	0%		
Parks Improvement Programme	1,139	65	(28)	37	37	0	0%	1,204	1,204	0	0%		
Improvements to Outdoor Access and Play Area Program	1,553	321	(82)	239	239	0	0%	1,873	1,873	0	0%		
Multi Pupose Bins	60	20	0	20	20	0	0%	80	80	0	0%		
Public Litter Bin Replacement Programme	0	90	0	90	90	0	0%	90	90	0	0%		
Improvements to Cemetery Estate	1,238	303	0	303	303	0	0%	1,541	1,541	0	0%		
Renewal of Play Parks	158	657	(657)	0	0	0	0%	1,694	1,694	0	0%		
Parks - Multi Use Games Area	0	100	0	100	100	0	0%	100	100	0	0%		
Nature Restoration Fund	191	350	0	350	350	0	0%	541	541	0	0%		
Nature Restoration Fund (Biodiversity)	0	267	0	267	267	0	0%	267	267	0	0%		
Road Safety	0	257	0	257	257	0	0%	257	257	0	0%		
Direct Resource Grant (Feasability)	0	30	0	30	30	0	0%	30	30	0	0%		
EV Infrastructure Fund	0	80	0	80	80	0	0%	80	80	0	0%		
Community Bus Fund	0	0	51	51	51	0	0%	51	51	0	0%		
Lawn Tennis Association	0	0	300	300	300	0	0%	300	300	0	0%		
Strathclyde Partnership Transport	0	1,485	351	1,836	1,836	0	0%	1,836	1,836	0	0%		
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	77,888	18,180	(684)	17,494	17,494	0	0%	98,287	98,287	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.