
To: Infrastructure, Land and Environment Policy Board

On: 24 March 2021

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

Heading: Revenue and Capital Budget Monitoring as at 8 January 2021

1. Summary of Financial Position

- 1.1. The projected Revenue outturn as at 31 March 2021 for Infrastructure, Land and Environment is an overspend position of £2.698m (8.7%) against the revised budget for the year.
- 1.2. The projected Capital outturn as at 31 March 2021 for Infrastructure, Land and Environment is break even.
- 1.3. This is summarised over the relevant services in the table below and further analysis is provided in the Appendices.
- 1.4. 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.

Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Environment and Infrastructure	29,468	29,400	2,688	32,088	2,620	8.9
Communities and Housing (Regulatory Services)	1,621	1,597	102	1,699	78	4.8

Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Environment and Infrastructure	13,779	13,779	0	13,779	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 and confirmed government support at this point in time; forecasts are likely to be subject to fluctuation as the full service implications and associated costs of the pandemic become clearer towards financial year end;
- 2.2. Note the projected Capital outturn position as detailed in Table 2 above; and
- 2.3. Note the Capital budget adjustments detailed in section 5.

3. Revenue

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £2.698 million (8.7% of total budget) for Infrastructure, Land and Environment. Narrative is provided to provide context and explanation to the budget position for service areas.
- 3.2. The projected outturn is based on information currently available and assumptions made by service budget holders. Any changes to these projections will be detailed in future reports to this Board.
- 3.3. The main reasons for the projected outturn position are indicated below the tables showing both the subjective analysis (what the budget is spent on) and the objective analysis (which division is spending the budget).

4. Revenue Budget Adjustments

- 4.1. Since the last report, there have been no budget adjustments.

5. Capital

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9th March 2020.

- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £0.633m. This mainly arises due to when payments are made for work done on various projects.
- 5.3. 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 £0.633m have arisen which reflect the following:

Budget carried forward to 2021-22 from 2020-21 (£0.681m):

- Roads/Footways Upgrade Programme (£0.350m) due to timing of junction improvement works at Netherall/Renfrew Rd completing in early 2021-22;
- Bridge Assessment/Strengthening (£0.044m) for works at Plymuir Bridge not due to commence until 2021-22 to allow completion of consultancy work in the current financial year;
- Lighting Columns Replacement (£0.130m) for the timing of payments made for work at St Andrew's Drive, Bridge of Weir;
- Core Pathways & Cycle Network (£0.137m) as tender for planned works at Freeland Dr, Barrhill Rd and Park Mains will not be completed until late 2020-21 before the work can commence.
- Multi-Purpose Bins (£0.020m) as planned trial for large capacity bins was unable to take place due to the Covid-19 pandemic.

Budget Increases in 2021-22 (£0.048m):

- Vehicle Replacement Programme (£0.048m) for grant received for electric vehicle charging points in 2021-22.

Implications of this report

1. **Financial** – The projected budget outturn position for Infrastructure, Land and Environment Revenue budget is an overspend of £2.698m. Income and expenditure will continue to be monitored closely for the rest of the financial year and steps will be taken to mitigate any overspend as far as possible within existing budgets.

The projected outturn position for Infrastructure, Land and Environment Services' Capital budget is break even. 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 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 9th March 2020

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2020/21 – 24/25. Council, 9th March 2020.

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

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Objective Summary	Revised Annual Budget at Period 8	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
Directorate and Service Co-ordination	1,589	0	1,589	1,561	12	1,573	16	1.0%	90	(74)
Refuse Collection	5,050	0	5,050	5,021	958	5,979	(929)	(18.4%)	(693)	(236)
Household Waste Recycling Centres	671	0	671	807	380	1,187	(516)	(76.9%)	(441)	(75)
Refuse Disposal	7,256	0	7,256	7,290	564	7,854	(598)	(8.2%)	(531)	(67)
Streetscene	5,116	0	5,116	4,826	210	5,036	80	1.6%	106	(26)
Sustainability and Place	521	0	521	383	8	391	130	25.0%	126	4
Fleet Services	(193)	0	(193)	(315)	0	(315)	122	63.1%	206	(84)
Social Transport	1,667	0	1,667	1,607	(439)	1,168	499	30.0%	413	86
Roads Operations	2,744	0	2,744	3,053	100	3,153	(409)	(14.9%)	(207)	(202)
Infrastructure and Assets	1,725	0	1,725	1,614	47	1,661	64	3.7%	91	(27)
Transportation & Development	1,252	0	1,252	1,117	8	1,125	127	10.1%	212	(85)
Parking of Vehicles	(1,098)	0	(1,098)	(732)	840	108	(1,206)	(109.8%)	(1,099)	(107)
Strathclyde Partnership for Transport					0	3,168	0	0.0%	0	0
Requisition	3,168	0	3,168	3,168						
Regulatory Services	1,621	0	1,621	1,597	102	1,699	(78)	(4.8%)	(98)	20
NET EXPENDITURE	31,089	0	31,089	30,997	2,790	33,787	(2,698)	(8.7%)	(1,824)	(874)

Objective Heading	Key Reasons for Projected Variance
Refuse Collection	Increased employee costs of shielding, absence due to the pandemic, PPE, and adherence to social distancing measures are partially offset by management controls to reduce non essential overtime for core service delivery. In order to adhere to social distancing measures, additional vehicle support is required for each collection vehicle, resulting in additional transport costs of approximately £0.340m for the year. There is also an under recovery of income from special uplifts and commercial waste contracts. It is forecast that these costs pressures will continue to the end fo the financial year.
Household Waste Recycling Centres	In order to ensure the public can adhere safely to social distancing measures when visiting HWRC sites increased staffing is required to direct and control the operations. It is expected that these additional measures and resultant costs will continue to the end of the financial year. A high level of traffic management was also required for the initial period of re opening.
Refuse Disposal	A significant increase in household waste for both residual and recycling tonnages, resulting in a forecast increase in the costs of disposal. There is also a small increase due to the further lockdown measures introduced since the last report to board. In addition there is an expected loss of income from both scrap metal and textile contracts. This is partially offset by a one off reduction in the tonnages processed through the HWRC's due to the closure at the start of the year.
Streetscene	Management controls and actions to mitigate the overall costs of the pandemic have resulted in projected underspends on supplies and services, overtime, and fuel costs.
Social Transport	Additional driver support is required to adhere to service social distancing measures mainly within refuse collection, resulting in increased income recovery.
Roads Operations	Significant adverse weather experienced since last policy board report has led to higher than anticipated costs of salt/grit useage. A one of cost pressure on materials cost and increased employee costs during reponse to the pandemic. Capital improvement works carried out by the service have decreased since 2019/20, and work is underway to increase efficiencies with a view to reducing projected service delivery costs.
Transportation & Development	Management controls and actions to mitigate the overall costs of the pandemic have resulted in an underspend in employee costs due to vacancy management, and within supplies and services
Parking of Vehicles	Parking charges were suspended in March 2020, and although reintroduced in August, useage of spaces is significantly less than in previous years. Due to the pandemic it is forecast this will continue to the end of the financial year.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 8th January 2021

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Subjective Summary	Revised Annual Budget at Period 8	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's	£000's	£000's	£000's	£000's	£000's	£000's	%	£000's	£000's
Employees	21,158	21	21,179	20,286	941	21,227	(48)	(0.2%)	(44)	(4)
Premises Related	1,094	0	1,094	1,225	15	1,240	(146)	(13.3%)	(88)	(57)
Transport Related	5,926	0	5,926	5,589	351	5,940	(14)	(0.2%)	132	(146)
Supplies and Services	12,359	(21)	12,338	12,988	856	13,844	(1,506)	(12.2%)	(636)	(870)
Third Party Payments	3,203	0	3,203	3,208	0	3,208	(5)	(0.1%)	(6)	1
Transfer Payments	60	0	60	105	0	105	(45)	(74.4%)	(54)	9
Support Services	228	0	228	216	0	216	12	5.4%	10	2
Depreciation and Impairment Losses	0	0	0	(1)	0	-1	1	0.0%	0	1
GROSS EXPENDITURE	44,028	0	44,028	43,615	2,163	45,778	(1,750)	(4.0%)	(686)	(1,064)
Income	(12,939)	0	(12,939)	(12,618)	627	(11,991)	(948)	(7.3%)	(1,138)	190
NET EXPENDITURE	31,089	0	31,089	30,997	2,790	33,787	(2,698)	(8.7%)	(1,824)	(874)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 8th January 2021
POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

Project Title	Prior Years Expenditure to 31/03/2020*	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21	Budget Adjustments in 2020-21	Revised Budget 2020-21	Projected Outturn 2020-21	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-25	Projected Outturn to 31-Mar-25	Budget Variance (Adverse) or Favourable	
		£000	£000	£000	£000	£000		£000	£000		
ENVIRONMENT & INFRASTRUCTURE											
Cycling, Walking & Safer Streets (Funded by Specific	0	783	0	783	783	0	0%	1,533	1,533	0	0%
Roads/Footways Upgrade Programme	0	7,800	(789)	7,011	7,011	0	0%	30,861	30,861	0	0%
Vehicle Replacement Programme	0	1,800	638	2,438	2,438	0	0%	2,439	2,439	0	0%
Bridge Assessment/Strengthening	0	300	(7)	293	293	0	0%	562	562	0	0%
Lighting Columns Replacement	0	500	128	628	628	0	0%	758	758	0	0%
Traffic Management	0	1,000	0	1,000	1,000	0	0%	1,000	1,000	0	0%
Core pathways & cycle network	0	0	63	63	63	0	0%	200	200	0	0%
Waste Transfer Station Upgrade	397	0	3	3	3	0	0%	400	400	0	0%
Parks Improvement Programme	2,030	60	32	92	92	0	0%	2,350	2,350	0	0%
LED Street Lighting Strategy	9,370	0	0	0	0	0	0%	9,370	9,370	0	0%
Multi Purpose Bins	52	0	8	8	8	0	0%	80	80	0	0%
Improvements to Cemetery Estate	949	0	300	300	300	0	0%	1,441	1,441	0	0%
Underwood Depot - Workshop Improvements	40	209	(4)	205	205	0	0%	245	245	0	0%
ANPR Recognition Equipment Underwood Road Recy	0	0	80	80	80	0	0%	80	80	0	0%
Strathclyde Partnership Transport	0	0	875	875	875	0	0%	875	875	0	0%
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	12,838	12,452	1,327	13,779	13,779	0	0%	52,194	52,194	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.

Objective Heading	Key Reasons for Potential Variance