

To: Finance, Resources and Customer Services Policy Board

On: 2 June 2021

Report by: Director of Finance and Resources

Heading: Revenue and Capital Budget Monitoring as at 5 March 2021

1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2021 for Finance, Resources and Customer Services is an underspend position of £5.603m (5.3%) against the revised budget for the year. This position results from the fact that additional government funding related to the COVID-19 pandemic is currently held within central Miscellaneous budgets.
- 1.2. The projected Capital outturn at 31 March 2021 for Finance, Resources and Customer Services 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 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.

Table 1: Revenue						
Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Finance and Resources	£35,714	£34,939	£1,380	£36,319	(£605)	1.7%
Environment and Infrastructure	£18,013	£17,077	£3,397	£20,474	(£2,461)	13.7%
Miscellaneous	£51,783	£51,783	(£8,669)	£43,114	£8,669	-16.7%
Total	£105,510	£103,799	(£3,892)	£99,907	£5,603	-5.3%

Table 2: Capital						
Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Finance, Resources and Customer Services, including Environment and Infrastructure	£4,166	£4,166	£0	£4,166	£0	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 £5.603m (5.3% of total budget) for services reporting to the Finance, Resources and Customer Services Policy Board. This position results from the fact that some additional government funding related to the COVID-19 pandemic is currently held within central Miscellaneous budgets and has not been allocated to departments. Detailed division service reports can be also be found here, 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. Any changes to the final 2020/21 position will be detailed in future reports to this Board.
- 3.3. The main reason for the projected outturn position is 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

Members are requested to note from Appendix 1 that budget adjustments totalling £5.280m have been processed since the last report, as follows:

- Miscellaneous Services – following the announcement of further COVID-19 related funding from the Scottish Government. The budgets are coded to Miscellaneous Services and will be utilised to offset costs incurred across service departments or earmarked to support anticipated costs next financial year.

- £0.235m was transferred out of Finance and Resources contributing to a R4R saving associated with the Customer Transactions workstream;
- £0.114m was transferred into Environment and Infrastructure from other service areas within the directorate relating to training and supplies;
- £0.050m was transferred into Environment and Infrastructure from Children's Services relating to kitchen equipment.

5. Capital

- 5.1. The Capital Investment Programme 2020/21 to 2024/25 was approved by the Council on 9 March 2020.
- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme for Finance, Resources and Customer Services for the year, largely as a result of updated cash flows from ICT Renewal and Lifecycle Capital Maintenance.
- 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 totalling £1.637m has arisen which reflects the following:

Budget carried forward to 2021/22 from 2020/21 (£1.937m):

- ICT Infrastructure & Renewal (£0.433m) due to the expected delivery of Core IT upgrades now planned for Summer 2021;
- Lifecycle Capital Maintenance (£0.973m) reflecting updated cashflows for various roof replacement, refurbishments and boiler replacements in which the timing of work had largely been affected by the COVID-19 pandemic;
- Community Empowerment Fund and Greenspaces & Parks (£0.531m) for updated cash flows over the expected timings of grant payments.

Budget brought forward from 2021/22 to 2020/21 (£0.300m):

- Digital Infrastructure Provision (£0.300m) to reflect timing of work completed in March 2021.

Implications of this report

1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an underspend of £5.603m.

Income and expenditure will continue to be monitored closely for the rest of the financial year and, as far as possible, steps will be taken to mitigate any overspend.

The projected outturn position for Finance, Resources and Customer Services' Capital budget is break-even. The Capital programme will continue to be monitored closely for the rest of the financial year and, where necessary, steps will be taken to mitigate any overspend.

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

The Capital expenditure in this board will result in lifecycle maintenance improvements to existing properties and replacement of ICT assets and infrastructure.

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 2020/21. Council, 9 March 2020.

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

Revenue and Capital Budget Monitoring as at 8 January 2021 - Finance, Resources and Customer Services Policy Board, 31 March 2021

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER 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
Finance and Resources	35,987	(273)	35,714	34,939	1,380	36,319	(605)	(1.7%)	(1,263)	658
Environment and Infrastructure	17,835	178	18,013	17,077	3,397	20,474	(2,461)	(13.7%)	(3,155)	694
Miscellaneous	46,408	5,375	51,783	51,783	(8,669)	43,114	8,669	16.7%	8,669	0
NET EXPENDITURE	100,230	5,280	105,510	103,799	(3,892)	99,907	5,603	5.3%	4,251	1,352

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	78,936	1,962	80,898	76,187	1,241	77,428	3,470	4.3%	3,508	(38)
Premises Related	9,163	15	9,178	9,669	16	9,685	(507)	(5.5%)	(343)	(164)
Transport Related	816	0	816	715	93	808	8	1.0%	(80)	88
Supplies and Services	29,150	2,360	31,510	28,516	(7,481)	21,035	10,475	33.2%	10,121	354
Third Party Payments	2,002	0	2,002	2,002	0	2,002	0	0.0%	(2)	2
Transfer Payments	53,792	935	54,727	53,663	0	53,663	1,064	1.9%	395	669
Support Services	2,608	8	2,616	2,051	0	2,051	565	21.6%	549	16
Depreciation and Impairment Losses	13,196	0	13,196	13,226	0	13,226	(30)	(0.2%)	0	(30)
GROSS EXPENDITURE	189,663	5,280	194,943	186,029	(6,131)	179,898	15,045	7.7%	14,147	898
Income	(89,433)	0	(89,433)	(82,230)	2,239	(79,991)	(9,442)	(10.6%)	(9,896)	455
NET EXPENDITURE	100,230	5,280	105,510	103,799	(3,892)	99,907	5,603	5.3%	4,251	1,352

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER 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
Finance and Resources Directorate	(767)	(6)	(773)	(790)	0	(790)	17	2.2%	20	(3)
Corporate Governance	2,956	(4)	2,952	2,783	101	2,884	68	2.3%	23	45
Finance Services	3,382	0	3,382	3,405	0	3,405	(23)	(0.7%)	(20)	(3)
ICT Services	9,355	0	9,355	9,357	160	9,517	(162)	(1.7%)	(481)	319
HR, OD and Workforce Strategy	2,515	0	2,515	2,625	0	2,625	(110)	(4.4%)	(272)	162
Customer and Business Services	14,701	(263)	14,438	13,833	354	14,187	251	1.7%	(253)	504
Housing Benefits	1,778	0	1,778	1,840	249	2,089	(311)	(17.5%)	6	(317)
Property Services	639	0	639	316	350	666	(27)	(4.2%)	(88)	61
Social care (non-delegated)	743	0	743	725	0	725	18	2.4%	(27)	45
Change Fund	98	0	98	214	166	380	(282)	(287.8%)	(199)	(83)
Finance projects	0	0	0	88	0	88	(88)	0.0%	0	(88)
Audit Services	587	0	587	543	0	543	44	7.5%	28	16
NET EXPENDITURE	35,987	(273)	35,714	34,939	1,380	36,319	(605)	(1.7%)	(1,263)	658

Objective Heading	Key Reasons for Significant Projected Variances
ICT Services	Anticipated overspend owing to overlap of BW software contract re-tender exercise this year; COVID-19 overspend arises from increased kit and data requirements over the period of lockdown.
HR, OD and Workforce Strategy	Relevant staff costs from the Project Management Unit have been charged into the Change Fund after Period 10 to better reflect their remits, reducing the anticipated overspend.
Customer and Business Services	Movement in projection relates to statutory additions income, which was previously expected to be low due to COVID-19 recovery activities.
Housing Benefits	This overspend arises from year-end overpayments, which were omitted from previous projections.
Property Services	COVID-19 overspend arises from loss of income within the Technical Unit (fees from capital projects) and from commercial rents, mitigated by savings in external consultant costs.

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - FINANCE & RESOURCES

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	33,009	(279)	32,730	33,377	120	33,497	(767)	(2.3%)	(655)	(112)
Premises Related	2,085	0	2,085	2,168	16	2,184	(99)	(4.7%)	(106)	7
Transport Related	82	0	82	49	0	49	33	40.2%	23	10
Supplies and Services	8,329	(5)	8,324	8,002	216	8,218	106	1.3%	(355)	461
Third Party Payments	1,637	0	1,637	1,637	0	1,637	0	0.0%	(2)	2
Transfer Payments	53,599	3	53,602	52,471	0	52,471	1,131	2.1%	464	667
Support Services	596	8	604	514	0	514	90	14.9%	91	(1)
Depreciation and Impairment Losses	0	0	0	30	0	30	(30)	0.0%		(30)
GROSS EXPENDITURE	99,337	(273)	99,064	98,248	352	98,600	464	51.5%	(540)	1,004
Income	(63,350)	0	(63,350)	(63,309)	1,028	(62,281)	(1,069)	(1.7%)	(723)	(346)
NET EXPENDITURE	35,987	(273)	35,714	34,939	1,380	36,319	(605)	(1.7%)	(1,263)	658

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - ENVIRONMENT AND INFRASTRUCTURE

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
Building Services	(338)	114	(224)	0		0	(224)	100.0%	(998)	774
Street Lighting Maintenance Work	373	0	373	556	0	556	(183)	(49.2%)	(150)	(33)
Public Building Repairs	3,588	15	3,603	3,509	600	4,109	(506)	(14.0%)	(0)	(506)
Cleaning And Janitorial Services	7,624	(1)	7,623	7,636	361	7,997	(374)	(4.9%)	(891)	517
Catering	5,926	50	5,976	4,846	2,436	7,282	(1,306)	(21.9%)	(1,238)	(69)
School Crossing Patrols	662	0	662	529		529	133	20.2%	122	11
NET EXPENDITURE	17,835	178	18,013	17,077	3,397	20,474	(2,461)	(13.7%)	(3,155)	694

Objective Heading	Key Reasons for Significant Projected Variances
Public Building Repairs	The overspend relates to the costs of the Covid pandemic incurred by Building Services, including lost productivity, and increased costs. This is partly offset by a small underspend in the costs incurred in repairs to public buildings.
Cleaning And Janitorial Services	There is a significant spend related to the service response to the pandemic, including additional cleaning in schools, and additional hours required to cover for absence related to staff shielding. Some of these costs within HSCP premises have now been funded, reducing the total cost.
Catering	The pressure due to the pandemic includes a loss of income from school meals and Renfrewshire House café, which is partially offset by a reduction in food costs. The outturn also includes the total cost to the Council of the supply and delivery of the food insecurity packages delivered to residents across Renfrewshire.

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - ENVIRONMENT AND INFRASTRUCTURE

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	19,852	80	19,932	14,574	1,121	15,695	4,237	21.3%	4,162	75
Premises Related	3,224	15	3,239	3,647	0	3,647	(408)	(12.6%)	(237)	(172)
Transport Related	734	0	734	666	93	759	(25)	(3.4%)	(103)	78
Supplies and Services	6,166	83	6,249	3,578	972	4,550	1,699	27.2%	1,806	(107)
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	1	0	1	69	0	69	(68)	(6753.9%)	(70)	2
Support Services	706	0	706	230	0	230	476	67.4%	459	17
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	30,683	178	30,861	22,764	2,186	24,950	5,911	19.2%	6,017	(106)
Income	(12,848)	0	(12,848)	(5,687)	1,211	(4,476)	(8,372)	(65.2%)	(9,172)	801
NET EXPENDITURE	17,835	178	18,013	17,077	3,397	20,474	(2,461)	(13.7%)	(3,155)	694

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

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

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	26,075	2,161	28,236	28,236	0	28,236	0	0.0%	0	0
Premises Related	3,854	0	3,854	3,854	0	3,854	0	0.0%	0	0
Transport Related	0	0	0	0	0	0	0	0.0%	0	0
Supplies and Services	14,654	2,282	16,936	16,936	(8,669)	8,267	8,669	51.2%	8,669	0
Third Party Payments	365	0	365	365	0	365	0	0.0%	0	0
Transfer Payments	191	932	1,123	1,123	0	1,123	0	0.0%	0	0
Support Services	1,307	0	1,307	1,307	0	1,307	0	0.0%	0	0
Depreciation and Impairment Losses	13,196	0	13,196	13,196	0	13,196	0	0.0%	0	0
GROSS EXPENDITURE	59,642	5,375	65,017	65,017	(8,669)	56,348	8,669	13.3%	8,669	0
Income	(13,234)	0	(13,234)	(13,234)	0	(13,234)	0	0.0%	0	0
NET EXPENDITURE	46,408	5,375	51,783	51,783	(8,669)	43,114	8,669	16.7%	8,669	0

Subjective Heading	Key Reasons for Significant Projected Variances
Budget Adjustments	Additional Scottish Government funding associated with the impact of COVID-19 was announced in Finance Circular 5/2021 and this funding is reflected here; funding may be allocated to services before year-end or earmarked for future use.
Supplies and Services	COVID-19 projection relates to an under-recovery in savings of £0.850m due to the pause in R4R arising from the pandemic. These are offset by additional COVID-19 funding from the Scottish Government that has not been allocated to services.

RENFREWSHIRE COUNCIL
CAPITAL BUDGET MONITORING STATEMENT 2020/2021
1st April to 5th March 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES

Project Title	Current Year 2020/21							Full Programme - All years			
	Prior Years Expenditure to 31/03/2020*	Approved Budget 2020/21	Budget Adjustments 2020/21	Revised Budget 2020/21	Projected Outturn 2020/21	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31 March 2025	Projected Outturn to 31 March 2025	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%	£000	£000	£000	%
CORPORATE PROJECTS											
ICT Infrastructure Maint & Renewal Programme	0	1,231	-594	637	637	0	0%	3,525	3,525	0	0%
Strategic Asset Management Fund	0	645	-645	0	0	0	0%	0	0	0	0%
Energy Efficiency Programme	0	402	-402	0	0	0	0%	147	147	0	0%
Lifecycle Capital Maintenance (LCM) Fund	0	5,157	-3,382	1,775	1,775	0	0%	9,290	9,290	0	0%
Digital Infrastructure Provision	435	1,200	300	1,500	1,500	0	0%	1,935	1,935	0	0%
Community Empowerment Fund	74	351	-301	50	50	0	0%	951	951	0	0%
Greenspaces and Parks	193	396	-192	204	204	0	0%	1,076	1,076	0	0%
Villages Improvement Fund	0	0	0	0	0	0	0%	150	150	0	0%
TOTAL	702	9,382	-5,216	4,166	4,166	0	0%	17,074	17,074	0	0%

*Rolling programmes have a prior 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 Significant Projected Variances
Lifecycle Capital Maintenance (LCM) Fund	Monitoring continuing to assess impact of COVID-19 on cost and timing of projects which may result in future budget adjustments