

**To:** Leadership Board

**On:** 20 April 2022

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

**Heading:** Revenue and Capital Budget Monitoring as at 7 January 2022

## 1. Summary of Financial Position

- 1.1. The table below outlines the projected Revenue and Capital outturn position as at 31 March 2022 across all services reported to the Leadership Board. Further analysis on the expected variances for each service is provided in the Appendices to this report.
- 1.2. For the financial year 2021/22, 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 %
Adult Services	75,525	74,581	0	74,581	944	1.2%
Chief Executives	24,730	22,580	2,406	24,986	(256)	(1.0%)

Division	Revised Annual Budget £000	Projected Outturn Core £000	Projected Outturn COVID-19 £000	Total Projected Outturn £000	Budget Variance £000	Budget Variance %
Chief Executives	35,711	35,711	0	35,711	0	0%
Leisure Services	2,664	2,664	0	2,664	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 £0.688m (0.7% 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 relate to the projected impact of the COVID-19 on both Renfrewshire Leisure (RL) and Renfrewshire HSCP:

- As previously reported, it was anticipated that the Council would require to provide OneRen with additional financial support over 2021/22. The forecast level of additional support continues to be in the region of £0.5m in the current financial year, as income secured from the Scottish Government in relation to hosting the public vaccination programme within OneRen premises has offset the reduced level of income from leisure services. 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 10, the service estimates that costs of £4.8m 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.

The Scottish Government has again confirmed that all reasonable additional COVID-19 costs will be fully funded, once all Covid related reserves have been fully utilised. In this context, additional costs specifically relating to the COVID-19 response are not therefore included within this report. Outwith COVID-19 specific costs, the service is forecasting a £0.9m underspend on core service provision. This year-end core underspend will be added to existing unallocated balances, which the HSCP will carry forward and have available to support future change and transformation, as well as addressing pressures in future years.

- 3.5 A revised 2021/22 pay offer recently approved requires additional one-off funding to be contributed by local government; this is likely to be in excess of the provision made in the 2021/22 revenue budget and will require to be met from either reserves or in-year underspends. The revenue projections outlined in this report do not yet take account of the potentially unfunded pay award costs.

#### **4. Revenue Budget Adjustments**

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £1.218m have been processed since the last report. These relate mainly to:
- £0.050m transferred into Chief Executive's in relation to Citizen's Advice Bureau support;
  - £1.168m transferred into Adult Services following a redetermination of revenue funding from the Scottish Government for Adult Social Care wages.

#### **5. Capital**

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4 March 2021.
- 5.2. The Capital Monitoring report at Appendix 3 indicates movement in the approved capital programme for the Chief Executive's Service for the year of £4.731m which is explained further below.
- 5.3. The Capital Monitoring report at Appendix 3 indicates no movement in the approved capital programme for Leisure Services.
- 5.4. Further detail, including reasons for significant variances, can be found at Appendix 3.
- 5.5. It is anticipated that due to both the impact of immediate COVID-19 lockdowns and the second phase impact 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 planned, it is anticipated that consequential cost pressures arising from COVID-19 will require to be addressed from COVID-specific reserve balances. Future reports will provide further detail as this issue develops more substantially over the coming weeks and months and such issues are progressed with individual contractors.

## **6. Capital Budget Adjustments**

6.1. Since the last report the following budgets, totalling £4.731m, have had a net carry forward from 2021/22 into 2022/23 and beyond, reflecting updated cashflows for the timing of work :

- **Chief Executives**
    - City Deal Projects (£3.863m);
    - Paisley Town Centre and Infrastructure Projects (£0.835m);
    - Paisley Museum (£0.033m).
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## **Implications of this report**

1. **Financial** – The projected budget outturn position for the revenue budget reported to the Leadership Board is an underspend of £0.688m. 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.

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### **List of Background Papers**

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2021/22 to 2023/24  
Council, 4 March 2021.

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 7 January 2022**

**POLICY BOARD : LEADERSHIP BOARD**

Objective Summary	Revised Annual Budget at P8	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
Adult Services	74,356	1,169	75,525	74,581	0	74,581	944	1.2%	665	279
Chief Executive's Service	24,681	49	24,730	22,580	2,406	24,986	(256)	(1.0%)	(332)	76
<b>NET EXPENDITURE</b>	<b>99,037</b>	<b>1,218</b>	<b>100,255</b>	<b>97,161</b>	<b>2,406</b>	<b>99,567</b>	<b>688</b>	<b>0.7%</b>	<b>333</b>	<b>355</b>

Subjective Summary	Revised Annual Budget at P8	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	46,068	(1)	46,067	46,178	1,633	47,811	(1,744)	(3.8%)	(1,177)	(567)
Premises Related	1,110	0	1,110	1,141	109	1,250	(140)	(12.6%)	(186)	46
Transport Related	846	0	846	470	0	470	376	44.4%	377	(1)
Supplies and Services	14,685	0	14,685	14,721	504	15,225	(540)	(3.7%)	(617)	77
Third Party Payments	67,545	99	67,644	66,892	2,378	69,270	(1,626)	(2.4%)	(2,054)	428
Transfer Payments	9,939	1,218	11,157	9,506	2,611	12,117	(960)	(8.6%)	(784)	(176)
Support Services	116	0	116	113	0	113	3	2.6%	4	(1)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>140,309</b>	<b>1,316</b>	<b>141,625</b>	<b>139,021</b>	<b>7,235</b>	<b>146,256</b>	<b>(4,631)</b>	<b>(3.3%)</b>	<b>(4,437)</b>	<b>(194)</b>
Income	(41,272)	(98)	(41,370)	(41,860)	(4,829)	(46,689)	5,319	12.9%	4,770	549
<b>NET EXPENDITURE</b>	<b>99,037</b>	<b>1,218</b>	<b>100,255</b>	<b>97,161</b>	<b>2,406</b>	<b>99,567</b>	<b>688</b>	<b>0.7%</b>	<b>333</b>	<b>355</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 7 January 2022**

**POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES**

Objective Summary	Revised Annual Budget at P8	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
Older People	47,195	1,169	48,364	47,558		47,558	806	1.7%	545	261
Physical or Sensory Difficulties	6,484	0	6,484	6,704		6,704	(220)	(3.4%)	(128)	(92)
Learning Difficulties	17,087	0	17,087	16,844		16,844	243	1.4%	78	165
Mental Health Needs	2,936	0	2,936	2,865		2,865	71	2.4%	119	(48)
Addiction Services	654	0	654	610		610	44	6.7%	51	(7)
<b>NET EXPENDITURE</b>	<b>74,356</b>	<b>1,169</b>	<b>75,525</b>	<b>74,581</b>	<b>0</b>	<b>74,581</b>	<b>944</b>	<b>1.2%</b>	<b>665</b>	<b>279</b>

Objective Heading	Key Reasons for Projected Variance
Older People	Underspends in employee costs reflecting vacancies due to recruitment issues. Under occupancy in external care homes due to COVID
Physical or Sensory Difficulties	Increase in adult care placement and reduction in income from supported living clients and Other Local Authorities due to reduced client
Learning Difficulties	Underspends in employee costs reflecting vacancies due to recruitment issues.
Addictions	Underspends in employee costs reflecting vacancies due to recruitment issues.
Mental Health Needs	Underspends in employee costs reflecting vacancies due to recruitment issues.

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 7 January 2022**

<b>POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES</b>										
Subjective Summary	Revised Annual Budget at P8	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	36,374	0	36,374	36,425	1,633	38,058	(1,684)	(4.6%)	(1,257)	(427)
Premises Related	588	0	588	583	109	692	(104)	(17.7%)	(151)	47
Transport Related	842	0	842	464		464	378	44.9%	379	(1)
Supplies and Services	1,747	0	1,747	1,718	4	1,722	25	1.4%	10	15
Third Party Payments	67,423	99	67,522	66,770	2,378	69,148	(1,626)	(2.4%)	(2,054)	428
Transfer Payments	4,902	1,168	6,070	6,059	705	6,764	(694)	(11.4%)	(713)	19
Support Services	70	0	70	61	0	61	9	12.9%	9	0
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>111,946</b>	<b>1,267</b>	<b>113,213</b>	<b>112,080</b>	<b>4,829</b>	<b>116,909</b>	<b>(3,696)</b>	<b>(3.3%)</b>	<b>(3,777)</b>	<b>81</b>
Income	(37,590)	(98)	(37,688)	(37,499)	(4,829)	(42,328)	4,640	12.3%	4,442	198
<b>NET EXPENDITURE</b>	<b>74,356</b>	<b>1,169</b>	<b>75,525</b>	<b>74,581</b>	<b>0</b>	<b>74,581</b>	<b>944</b>	<b>1.2%</b>	<b>665</b>	<b>279</b>



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 7 January 2022**

**POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE**

Objective Summary	Revised Annual Budget at P8	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
Chief Executive and Management	265	1	266	266	0	266	0	0.0%	(1)	1
Policy and Commissioning	4,685	48	4,733	4,634	0	4,634	99	2.1%	73	26
Marketing and Communications	3,097	0	3,097	3,008	0	3,008	89	2.9%	61	28
City Deal & Infrastructure	350	0	350	351	0	351	(1)	(0.3%)	3	(4)
Economy & Development	4,442	0	4,442	2,486	1,906	4,392	50	1.1%	25	25
Leisure Services (incl Renfrewshire Leisure)	11,842	0	11,842	11,835	500	12,335	(493)	(4.2%)	(493)	0
<b>NET EXPENDITURE</b>	<b>24,681</b>	<b>49</b>	<b>24,730</b>	<b>22,580</b>	<b>2,406</b>	<b>24,986</b>	<b>(256)</b>	<b>(1.0%)</b>	<b>(332)</b>	<b>76</b>

Objective Heading	Key Reasons for Projected Variance
Leisure Services (incl Renfrewshire Leisure)	The adverse variance continues to reflect the projected costs of supporting Renfrewshire Leisure with a revised level of requisition resulting from the continued limitations on service delivery over the coming year (in following the Scottish Government route map out of the pandemic).

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 7 January 2022**

**POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE**

Subjective Summary	Revised Annual Budget at P8	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	9,694	(1)	9,693	9,753	0	9,753	(60)	(0.6%)	80	(140)
Premises Related	522	0	522	558	0	558	(36)	(6.9%)	(35)	(1)
Transport Related	4	0	4	6	0	6	(2)	(50.0%)	(2)	0
Supplies and Services	12,938	0	12,938	13,003	500	13,503	(565)	(4.4%)	(627)	62
Third Party Payments	122	0	122	122	0	122	0	0.0%	0	0
Transfer Payments	5,037	50	5,087	3,447	1,906	5,353	(266)	(5.2%)	(71)	(195)
Support Services	46	0	46	52	0	52	(6)	(13.0%)	(5)	(1)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>28,363</b>	<b>49</b>	<b>28,412</b>	<b>26,941</b>	<b>2,406</b>	<b>29,347</b>	<b>(935)</b>	<b>(3.3%)</b>	<b>(660)</b>	<b>(275)</b>
Income	(3,682)	0	(3,682)	(4,361)	0	(4,361)	679	18.4%	328	351
<b>NET EXPENDITURE</b>	<b>24,681</b>	<b>49</b>	<b>24,730</b>	<b>22,580</b>	<b>2,406</b>	<b>24,986</b>	<b>(256)</b>	<b>(1.0%)</b>	<b>(332)</b>	<b>76</b>

**CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES**  
**1st April to 7th January 2022**  
**POLICY BOARD: LEADERSHIP**

Project Title	Prior Years Expenditure to 31/03/2021* £000	Current Year 2021-22						Full Programme - All years					
		Approved Budget 2021-22 £000	Budget Adjustments in 2021-22 £000	Revised Budget 2021-22 £000	Projected Outturn 2021-22 £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-26 £000	Projected Outturn to 31-Mar-26 £000	Budget Variance (Adverse) or Favourable			
<b>LEISURE SERVICES</b>													
Leisure Investment Programme	52,278	0	322	322	322	0	0%	52,600	52,600	0	0%		
Grass Pitches & Changing Facilities	3,677	0	524	524	524	0	0%	4,201	4,201	0	0%		
Community Halls Refurbishment	64	2,474	-656	1,818	1,818	0	0%	2,636	2,636	0	0%		
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	500	500	0	0%		
<b>Total Leisure Services</b>	<b>56,019</b>	<b>2,474</b>	<b>190</b>	<b>2,664</b>	<b>2,664</b>	<b>0</b>	<b>0%</b>	<b>59,937</b>	<b>59,937</b>	<b>0</b>	<b>0%</b>		
<b>CHIEF EXECUTIVES</b>													
<b>City Deal Projects</b>													
Glasgow Airport Investment Area	32,237	6,446	1,899	8,345	8,345	0	0%	43,053	43,053	0	0%		
Clyde Waterfront & Renfrew Riverside	15,789	28,528	-22,310	6,218	6,218	0	0%	105,748	105,748	0	0%		
Airport Access	2,934	0	0	0	0	0	0%	141,991	141,991	0	0%		
<b>Economic Development</b>													
GAIA Regeneration	2,109	1,891	0	1,891	1,891	0	0%	5,500	5,500	0	0%		
AMIDS: Public Realm Phase 1 Netheron Square	217	1,586	-1,546	40	40	0	0%	2,983	2,983	0	0%		
AMIDS: District Heating Network	0	5,273	-187	5,086	5,086	0	0%	7,093	7,093	0	0%		
Inchinnan Cycleway	0	0	220	220	220	0	0%	700	700	0	0%		
<b>Paisley Venues &amp; Town Centre Infrastructure</b>													
Paisley Art Centre Redevelopment	238	219	73	292	292	0	0%	3,050	3,050	0	0%		
Paisley Town Hall Redevelopment	2,950	7,042	-2,155	4,887	4,887	0	0%	22,050	22,050	0	0%		
Flexible Outdoor Facility/Travel & Accessibility Infrastructure	342	1,610	-1,307	303	303	0	0%	9,450	9,450	0	0%		
Playing Fields and Sports Development	405	568	-467	101	101	0	0%	7,500	7,500	0	0%		
Paisley Museum	7,320	11,801	-5,833	5,968	5,968	0	0%	43,100	43,100	0	0%		
Town Centre Capital Fund	1,275	3,387	-2,676	711	711	0	0%	4,237	4,237	0	0%		
Paisley Learning & Cultural Hub	1,710	2,581	-1,831	750	750	0	0%	7,000	7,000	0	0%		
Townscape Heritage CARS 2	1,676	1,719	-820	899	899	0	0%	4,099	4,099	0	0%		
<b>Total Chief Executives</b>	<b>69,202</b>	<b>72,651</b>	<b>(36,940)</b>	<b>35,711</b>	<b>35,711</b>	<b>0</b>	<b>0%</b>	<b>407,554</b>	<b>407,554</b>	<b>0</b>	<b>0%</b>		
<b>TOTAL LEADERSHIP BOARD</b>	<b>125,221</b>	<b>75,125</b>	<b>(36,750)</b>	<b>38,375</b>	<b>38,375</b>	<b>0</b>	<b>0%</b>	<b>467,491</b>	<b>467,491</b>	<b>0</b>	<b>0%</b>		

\*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
City Deal Projects/City Deal Related Projects	The programme has been delayed as a result of the Covid-19 pandemic with net projected expenditure of £26.550m reprofiled into future years to reflect revised timescales.
Paisley Venues & Town Centres Infrastructure	As as result of the Covid-19 pandemic, a total £14.419m of programmed expenditure has been reprofiled into future years to reflect revised timescales.