
To: Infrastructure, Land and Environment Policy Board

On: 26 May 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 5 March 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 £2.496m (8.1%) against the revised budget for the year, with £3.080m of expenditure directly attributable to the response to the Covid19 pandemic.
- 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	29,381	28,834	2,966	31,800	(2,419)	8.2
Communities and Housing (Regulatory Services)	1,605	1,568	114	1,682	(77)	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	11,066	11,066	0	11,066	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 at this time;
- 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 6.

3. Revenue

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £2.496million (8.1% 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 outturn includes £3.080m of costs directly attributable to the response to the pandemic. As detailed in the Council report of December 2020, revenue funding has been confirmed by the Scottish Government in 20/21 to assist with the costs of the pandemic. This funding is being held within corporate council budgets as reported to the Finance, Resources and Customer Services Policy Board. The forecast financial outturn for the Council in 2020/21 reflects a breakeven position, which incorporates the overspend position reflected in this report.
- 3.3. 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).

4. Revenue Budget Adjustments

- 4.1. Since the last report, there have been budget adjustments of £103,000, relating to a budget realignment to other services of the departments, reporting to another policy board, with a nil net effect to overall departmental budgets.

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 £2.712m. This mainly arises due to reflect expected delivery date for various vehicles and cash flow timings within Traffic Management.
- 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 £2.712m have arisen which reflect the following:

Budget carried forward to 2021-22 from 2020-21 (£2.728m):

- Roads/Footways Upgrade Programme (£0.249m) due to timing of junction improvement works;
- Vehicle Replacement Programme (£0.950m) to reflect expected delivery of various vehicles in early 2021-22;
- Bridge Assessment/Strengthening (£0.054m) for cash flow timing of works at Bascule Bridge;
- Lighting Columns Replacement (£0.269m) for the timing of works at various locations being early 2021-22;
- Traffic Management (£0.936m) as planned work at Netherall Road Junction was carried out via the Roads/Footways Programme;
- Core Pathways & Cycle Network (£0.44m) to reflect expected completion times of the project;
- Improvements to Cemetery Estate (£0.041m) for updated cashflows for Hawkhead Cemetery;
- Underwood Depot Workshop Improvements (£0.185m) to reflect delays in expected work as a result of the Covid-19 pandemic.

Budget Increases in 2021-22 (£0.046m):

- Underwood Depot Workshop Improvements (£0.046m) to reflect a Contribution From Current Revenue (CFCR) for the project.

Budget Decreases in 2021-22 (£0.030m):

- Strathclyde Passenger Transport (£0.030m) to adjust grant claim from Transport Scotland for work carried out to 31 March 2021.

Implications of this report

1. **Financial** – The projected budget outturn position for Infrastructure, Land and Environment Revenue budget is an overspend of £2.496m, with £3.080m due to the response to the pandemic.

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.

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 to 5th March 2021

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

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
Directorate and Service Co-ordination	1,589	(104)	1,485	1,425	60	1,485	(0)	0.0%	16	(16)
Refuse Collection	5,050	17	5,067	5,036	997	6,033	(966)	(19.1%)	(929)	(37)
Household Waste Recycling Centres	671	0	671	658	485	1,143	(472)	(70.4%)	(516)	44
Refuse Disposal	7,256	0	7,256	7,215	613	7,828	(572)	(7.9%)	(598)	27
Streetscene	5,116	0	5,116	4,749	209	4,958	158	3.1%	80	78
Sustainability and Place	521	0	521	322	7	329	192	36.9%	130	62
Fleet Services	(193)	0	(193)	(303)	0	(303)	110	56.8%	122	(12)
Social Transport	1,667	0	1,667	1,574	(439)	1,135	532	31.9%	499	33
Roads Operations	2,744	0	2,744	3,023	105	3,128	(384)	(14.0%)	(409)	24
Infrastructure and Assets	1,725	0	1,725	1,586	47	1,633	92	5.3%	64	28
Transportation & Development	1,252	0	1,252	1,124	8	1,132	120	9.6%	127	(7)
Parking of Vehicles	(1,098)	0	(1,098)	(743)	874	131	(1,229)	(111.9%)	(1,206)	(22)
Strathclyde Partnership for Transport				3,168	0	3,168	0	0.0%	0	0
Requisition	3,168	0	3,168							
Regulatory Services	1,621	(16)	1,605	1,568	114	1,682	(77)	(4.8%)	(78)	1
NET EXPENDITURE	31,089	(103)	30,986	30,402	3,080	33,482	(2,496)	(8.1%)	(2,698)	201

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 £0.375m for the year. There is also an under recovery of income from special uplifts and commercial waste contracts.
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. 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. 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 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. In addition Capital improvement works carried out by the serve have decreased slightly since 2019/20.
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 from March to August 2020, with Off street parking also being suspended from December until May 2021, resulting in a significant loss of income complared to previous years.

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

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

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's	£000's	£000's	£000's	£000's	£000's	£000's	%	£000's	£000's
Employees	21,179	(68)	21,111	20,160	1,026	21,187	(76)	(0.4%)	(48)	(30)
Premises Related	1,094	0	1,094	1,284	15	1,299	(205)	(18.7%)	(146)	(59)
Transport Related	5,926	0	5,926	5,744	390	6,134	(208)	(3.5%)	(14)	(194)
Supplies and Services	12,338	(35)	12,303	12,597	993	13,590	(1,287)	(10.5%)	(1,506)	219
Third Party Payments	3,203	0	3,203	102	0	102	3,101	96.8%	(5)	3,106
Transfer Payments	60	0	60	3,230	0	3,230	(3,170)	(5283.3%)	(45)	(3,125)
Support Services	228	0	228	194	0	194	34	14.9%	12	22
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	1	(1)
GROSS EXPENDITURE	44,028	(103)	43,925	43,311	2,424	45,735	(1,810)	(4.1%)	(1,750)	(63)
Income	(12,939)	0	(12,939)	(12,910)	656	(12,254)	(685)	(5.3%)	(947)	262
NET EXPENDITURE	31,089	(103)	30,986	30,401	3,080	33,481	(2,495)	(8.1%)	(2,698)	200

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 5th March 2021
POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

Project Title	Prior Years Expenditure to 31/03/2020* £000	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21 £000	Budget Adjustments in 2020-21 £000	Revised Budget 2020-21 £000	Projected Outturn 2020-21 £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-25 £000	Projected Outturn to 31-Mar-25 £000	Budget Variance (Adverse) or Favourable	
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	(1,038)	6,762	6,762	0	0%	30,861	30,861	0	0%
Vehicle Replacement Programme	0	1,800	(312)	1,488	1,488	0	0%	2,578	2,578	0	0%
Bridge Assessment/Strengthening	0	300	(61)	239	239	0	0%	562	562	0	0%
Lighting Columns Replacement	0	500	(141)	359	359	0	0%	758	758	0	0%
Traffic Management	0	1,000	(936)	64	64	0	0%	1,000	1,000	0	0%
Core pathways & cycle network	0	0	19	19	19	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	259	259	259	0	0%	1,441	1,441	0	0%
Underwood Depot - Workshop Improvements	40	209	(143)	66	66	0	0%	291	291	0	0%
ANPR Recognition Equipment Underwood Road Recy	0	0	79	79	79	0	0%	80	80	0	0%
Strathclyde Partnership Transport	0	0	845	845	845	0	0%	845	845	0	0%
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	12,838	12,452	(1,386)	11,066	11,066	0	0%	52,349	52,349	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