

To: Leadership Board

On: 4 December 2024

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

Heading: Revenue and Capital Budget Monitoring as at 13 September 2024

1. Summary

- 1.1. At the close of reporting Period 6 on 13 September 2024, the projected revenue outturn at 31 March 2025 for those services reporting to the Leadership Board was an overspend position of £6.672m (5.3%) against the revised budget for the year. The projected overspend position relates to Adult Services and is tracking within the planned budgeted overspend of £7.516m set by the IJB as part of the 2024/25 budget.
- 1.2. The projected capital outturn at 13 September 2024 for projects reporting to the Leadership Board is a break-even position against the revised budget for the year.
- 1.3. This is summarised in the tables below and further analysis is provided in the Appendices.

	Revised Annual Budget £000	Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Revenue				
Adult Services	106,460	113,160	(6,700)	(6.3%)
Chief Executive's Service	20,119	20,091	28	0.1%
Total	126,579	133,251	(6,672)	(5.3%)
Capital	30,699	30,699	0	0%

2. Recommendations

2.1. Members are requested to:

- a) Note the projected Revenue outturn overspend position of £6.672m;
 - b) Note the projected Capital outturn break-even position;
 - c) Note the budget adjustments detailed at section 6.4 and 7.3; and
 - d) Approve the budget adjustments proposed at section 6.3.
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3. Revenue Budget Projection – overspend of £6.672m by 31 March 2025

- 3.1. The tables in Appendix 1 present the projected year-end position for all services reporting to this board, by both subjective analysis (what the budget is spent on) and objective analysis (which division is spending the budget). Significant variances affecting the projected position are analysed further below.
 - 3.2. It should be noted that the projected outturn position reported here is based on the latest information available, which is subject to change during the financial year. The impact of any change on this projection will be updated at each board cycle until the close of reporting Period 10. Budget holders are obliged to seek mitigating action to minimise significant budget variances.
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4. Objective Analysis – Significant Variances

4.1. Adult Services - £6.700m overspend

The overspend is mainly due to external care at home packages for Older People. This results from increased acuity of patients discharged from hospital, with more complex needs, meaning more intensive Care at Home packages are required to support people to remain in their own homes. In addition, there is a projected overspend within aids and adaptations and carer's respite, reflective of demand for these services. In setting the 2024/25 budget, the IJB planned for Adult Services to overspend by £7.516m, which would be funded in year by a draw from available reserves. The projected year end position is therefore tracking within this planned service overspend and will result in a lower draw on reserves than previously anticipated.

4.2. Chief Executive's Services - £0.028m underspend

There are no significant variances to report for those divisions of the Chief Executives Service reporting to this Policy Board.

5. Subjective Analysis – Significant Variances

5.1. Employee Costs - £0.537m underspend

This forecast underspend predominantly arises within Adult Services (£0.504m) due to the ongoing recruitment challenges and retention issues across all service areas due to the limited availability of the required skills mix. This projection does not take into account the cost associated with the back pay in relation to care at home staff regrade, which is still to be fully agreed.

5.2. Premises Related - £0.065m overspend

This forecast overspend, mainly in Adult Services (£0.064m) relates to increased cleaning costs and repairs, including the purchase of track hoists.

5.3. Transport Related - £0.289m underspend

This forecast underspend, mainly within Adult Services (£0.288m) relates to Older People Day Care operating at a reduced capacity and changes in day centre provision within Renfrewshire Learning Disability Service.

5.4. Supplies and Services - £0.152m overspend

This position mainly results from a £0.105m projected overspend within Adult Services due to the inflationary increases in the provision of community meals and the demand for aids and adaptations.

5.5. Third Party Payments - £7.248m overspend

This forecast overspend relates fully to Adult Services and is mainly due to external care at home packages. This results from increased acuity of patients discharged from hospital, with more complex needs, meaning more intensive Care at Home packages are required to support people to remain in their own homes. Further overspends are forecast within adult supported living packages and carer's respite, reflective of client needs and demand for these services. The position is further impacted by anticipated inflationary increases as a result of the adult supported living framework renewal in November 2024.

5.6. Transfer Payments - £0.092m overspend

This forecast overspend mainly arises within Adult Services (£0.116m) due to a projected increase to the provision for bad debts, based on current outstanding debt levels.

5.7. Income - £0.056m over-recovery

Adult Services is currently reporting an expected £0.037m over-recovery on income from community alarms due to an increase in the number of service

users; this offsets community alarm contractual increases. The projected over-recovery also relates to new charging orders registered so far during 2024/25, and funds received to date.

6. Revenue Budget Virements

- 6.1. Under the Council’s financial regulations, Directors and their nominated officers, in consultation with the Director of Finance and Resources, have certain delegated authority to transfer sums between subjective budget headings within a service division to enable budget management throughout the financial year. This is known as budget virement.
- 6.2. Transfers between divisions of the same service / department in excess of £100,000, and transfers between services / departments must be authorised by the respective service Director and the Director of Finance and Resources for submission to the relevant policy board for approval.
- 6.3. Budget holders are obliged to seek mitigating action to minimise significant budget variances. The Board is therefore asked to approve the following virements, which are not currently applied to the budget:

Revenue Budget Adjustments			
Objective Heading	Subjective Heading	Amount (£m)	Reason
Adult Services	Third Party Payments Transport	0.189 (0.189)	Budget realignment in relation to day centre activity

- 6.4. The following budget adjustments reflect the realignment of funds within Adult Services and are therefore for noting only:

Revenue Budget Adjustments			
Objective Heading	Subjective Heading	Amount (£m)	Reason
Adult Services	Transfer Payments	17.927	Budget realignment of care at home and adult supported living package budgets across the Self Directed Support options
	Third Party Payments	(17.927)	

7. Capital Budget Projection - break even position by 31 March 2025

- 7.1. The Capital Investment Programme 2024/25 to 2028/29 was approved by the Council on 29 February 2024. The Leadership Board approved capital spend for 2024/25 was £32.448m.

- 7.2. The in-year Capital budget is forecast to break-even by 31 March 2025, however, this will be monitored as the projects progress. Further details of the programme can be found in the Capital Monitoring report at Appendix 2.
- 7.3. Budget adjustments totalling £1.749m since Period 3 have taken place between years to reflect revised programming of some capital projects. The revised capital spend for 2024/25 is £30.699m, and details of these adjustments are as follows:

Capital Budget Adjustments		
Project	Amount (£m)	Reason
AMIDS: South	(1.749)	Reprofiled into 2025/26 to reflect updated cashflow profiles for the project.
Total	(1.749)	

Implications of the Report

1. Financial

The projected budget outturn position for the Leadership Revenue budget is an overspend of £6.672m (5.3%) at 31 March 2025. 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 by services to mitigate any overspend.

The projected outturn position for the Leadership Capital budget is break-even, after the adjustments outlined at section 7.

2. HR & Organisational Development

None directly arising from this report.

3. Community/Council Planning

Community Plan	
Our Renfrewshire is thriving	The Council's revenue and capital spend ensures that its facilities are fit for purpose and safe for the community, to maximise accessibility.
Our Renfrewshire is well	
Our Renfrewshire is fair	
Our Renfrewshire is safe	

Council Plan	
Reshaping our place, our economy and our future	The Council's revenue and capital spend ensures that its facilities are fit for

Council Plan	
Building strong, safe and resilient communities	purpose and safe for the community, to maximise accessibility.
Tackling inequality, ensuring opportunities for all	
Creating a sustainable Renfrewshire for all to enjoy	Ongoing revenue and capital budget monitoring is a tool to enable good financial management so that the Council has resources now and in the future for continued service delivery.
Working together to improve outcomes	

4. Legal

There are no direct implications arising from the recommendations in this report.

5. Property/Assets

The capital expenditure noted in this report will result in new assets (City Deal), regeneration (GAIA and AMIDS) and refurbishment and improvement of leisure and culture assets.

6. Information Technology

While ICT assets and revenue costs are included within these reported budgets, there are no direct implications arising from the recommendations in this report.

7. Equality & Human Rights

While certain areas of spend may impact on particular groups, any such impact would be assessed prior to the spend being incurred, therefore there are no direct implications arising from the recommendations in this report.

8. Health & Safety

The capital expenditure noted in this report will result in lifecycle maintenance improvements to existing properties and replacement of ICT assets, which may in some cases rectify health and safety issues.

9. Procurement

While Procurement is a key consideration prior to the Council incurring any revenue or capital spend, there are no direct implications arising from the recommendations in 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

There are no direct implications arising from the recommendations in this report

12. Cosla Policy Position

There are no direct implications arising from the recommendations in this report.

13. Children's Rights

There are no direct implications arising from the recommendations in this report.

14. Climate Change

The Council aims to reduce its carbon and other emissions to net zero by 2030, however there are no direct implications arising from the recommendations in this report.

List of Background Papers

Revenue Budget and Council Tax 2024/25, Council, 29 February 2024.

2024-25 Delegated Health and Social Care Budget, Renfrewshire Integration Joint Board, 22 March 2024

Non-Housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2024/25 – 2028/29, Council, 29 February 2024.

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RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2024/25
1 April 2024 to 13 September 2024

POLICY BOARD: LEADERSHIP BOARD

Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Adult Services	106,460	0	106,460	113,160	(6,700)	(6.3%)	(6,095)	(605)
Chief Executive's Service	19,632	487	20,119	20,091	28	0.1%	26	2
NET EXPENDITURE	126,092	487	126,579	133,251	(6,672)	(5.3%)	(6,069)	(603)

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	41,814	(150)	41,664	41,127	537	1.3%	604	(67)
Premises Related	787	54	841	906	(65)	(7.7%)	(52)	(13)
Transport Related	814	0	814	525	289	35.5%	230	59
Supplies and Services	18,484	(120)	18,364	18,516	(152)	(0.8%)	(84)	(68)
Third Party Payments	86,684	(18,255)	68,429	75,677	(7,248)	(10.6%)	(6,842)	(406)
Transfer Payments	7,723	18,623	26,346	26,438	(92)	(0.3%)	(35)	(57)
Support Services	78	28	106	103	3	2.8%	5	(2)
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	156,384	180	156,564	163,292	(6,728)	(4.3%)	(6,174)	(554)
Income	(30,292)	307	(29,985)	(30,041)	56	0.2%	105	(49)
NET EXPENDITURE	126,092	487	126,579	133,251	(6,672)	(5.3%)	(6,069)	(603)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2024/25
1 April 2024 to 13 September 2024

POLICY BOARD: LEADERSHIP BOARD - ADULT SERVICES								
Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Older People	69,143	(9,743)	59,400	63,939	(4,539)	(7.6%)	(4,418)	(121)
Physical or Sensory Difficulties	7,714	6,633	14,347	14,917	(570)	(4.0%)	(906)	336
Learning Difficulties	25,480	1,480	26,960	27,861	(901)	(3.3%)	(538)	(363)
Mental Health Needs	3,486	1,613	5,099	5,847	(748)	(14.7%)	(296)	(452)
Addiction Services	637	17	654	596	58	8.9%	63	(5)
NET EXPENDITURE	106,460	0	106,460	113,160	(6,700)	(6.3%)	(6,095)	(605)

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	38,173	(166)	38,007	37,503	504	1.3%	580	(76)
Premises Related	404	54	458	522	(64)	(14.0%)	(51)	(13)
Transport Related	813	0	813	525	288	35.4%	229	59
Supplies and Services	3,762	(122)	3,640	3,745	(105)	(2.9%)	(34)	(71)
Third Party Payments	86,684	(18,255)	68,429	75,677	(7,248)	(10.6%)	(6,842)	(406)
Transfer Payments	6,221	18,160	24,381	24,497	(116)	(0.5%)	(59)	(57)
Support Services	74	0	74	70	4	5.4%	5	(1)
GROSS EXPENDITURE	136,131	(329)	135,802	142,539	(6,737)	(5.0%)	(6,172)	(565)
Income	(29,671)	329	(29,342)	(29,379)	37	0.1%	77	(40)
NET EXPENDITURE	106,460	0	106,460	113,160	(6,700)	(6.3%)	(6,095)	(605)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2024/25
1 April 2024 to 13 September 2024

POLICY BOARD: LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Objective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Chief Executive and Management	268	0	268	266	2	0.7%	2	0
Policy and Commissioning	3,143	562	3,705	3,696	9	0.2%	6	3
Marketing and Communications	2,811	(100)	2,711	2,694	17	0.6%	19	(2)
City Deal & Infrastructure	0	29	29	29	0	0.0%	0	0
Leisure Services (incl Renfrewshire Leisure)	13,410	(4)	13,406	13,406	0	0.0%	(1)	1
NET EXPENDITURE	19,632	487	20,119	20,091	28	0.1%	26	2

Subjective Summary	Annual Budget at Period 3	Budget Adjustments	Revised Annual Budget at Period 6	Projected Outturn	Budget Variance (Adverse) or Favourable		Previous Projected Outturn Variance	Movement
	£000	£000	£000	£000	£000	%	£000	£000
Employees	3,641	16	3,657	3,624	33	0.9%	24	9
Premises Related	383	0	383	384	(1)	(0.3%)	(1)	0
Transport Related	1	0	1	0	1	100.0%	1	0
Supplies and Services	14,722	2	14,724	14,771	(47)	(0.3%)	(50)	3
Third Party Payments	0	0	0	0	0	0.0%	0	0
Transfer Payments	1,502	463	1,965	1,941	24	1.2%	24	0
Support Services	4	28	32	33	(1)	(3.1%)	0	(1)
Depreciation and Impairment Losses	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	20,253	509	20,762	20,753	9	0.0%	(2)	11
Income	(621)	(22)	(643)	(662)	19	3.0%	28	(9)
NET EXPENDITURE	19,632	487	20,119	20,091	28	0.1%	26	2

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 13th September 2024
POLICY BOARD: LEADERSHIP

Project Title	Prior Years Expenditure to 31/03/2024 £000	Current Year 2024-25						Full Programme - All years					
		Budget at P3 2024-25 £000	Budget Adjustments since previous £000	Revised Budget 2024-25 £000	Projected Outturn 2024-25 £000	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-29 £000	Projected Outturn to 31-Mar-29 £000	Budget Variance (Adverse) or Favourable			
LEISURE SERVICES													
Artificial Pitches Fund	0	800	0	800	800	0	0%	800	800	0	0%		
Community Halls Refurbishment	24,920	832	0	832	832	0	0%	25,751	25,751	0	0%		
Linwood Running Track at On-X	4	350	0	350	350	0	0%	354	354	0	0%		
Lagoon Internal Play Centre	0	1,000	0	1,000	1,000	0	0%	1,000	1,000	0	0%		
Total Leisure Services	24,924	2,982	0	2,982	2,982	0	0%	27,905	27,905	0	0%		
CHIEF EXECUTIVES													
City Deal Projects													
Glasgow Airport Investment Area	40,849	2,215	0	2,215	2,215	0	0%	43,064	43,064	0	0%		
Clyde Waterfront & Renfrew Riverside	98,513	19,261	0	19,261	19,261	0	0%	117,824	117,824	0	0%		
Airport Access	2,934	0	0	0	0	0	0%	141,992	141,992	0	0%		
Economic Development													
GAIA Regeneration	0	3,391	0	3,391	3,391	0	0%	3,391	3,391	0	0%		
AMIDS: Public Realm Phase 1 Netheron Square	3,808	126	0	126	126	0	0%	3,933	3,933	0	0%		
AMIDS: District Heating Network	6,783	311	0	311	311	0	0%	7,093	7,093	0	0%		
AMIDS: South	5,432	4,162	(1,749)	2,413	2,413	0	0%	43,098	43,098	0	0%		
Total Chief Executives	158,319	29,466	(1,749)	27,717	27,717	0	0%	360,395	360,395	0	0%		
TOTAL LEADERSHIP BOARD	183,243	32,448	(1,749)	30,699	30,699	0	0%	388,300	388,300	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.