

To: Finance, Resources and Customer Services Policy Board

On: 21 November 2024

Report by: Director of Finance and Resources

Heading: Revenue and Capital Budget Monitoring 2024/25 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 Finance, Resources and Customer Services Policy Board is an underspend position of £1.651m (1.8%) against the revised budget for the year.
- 1.2 The projected capital outturn at 31 March 2025 for projects reporting to the Finance, Resources and Customer Services Policy Board 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 report and appendices.

	Revised Annual Budget £000	Projected Outturn £000	Budget Variance (Adv)/Fav £000	Budget Variance %
Revenue				
Finance and Resources	43,796	43,729	67	0.2%
Environment, Housing and Infrastructure	23,256	23,940	(684)	(2.9%)
Chief Executive's Service (Estates)	273	405	(132)	(48.4%)
Miscellaneous	25,009	22,609	2,400	9.6%
Total	92,334	90,683	1,651	1.8%
Capital				
Finance, Resources and Customer Services Policy Board	9,259	9,259	0	0.0%

2. Recommendations

2.1 Members are requested to:

- a) Note the projected Revenue outturn underspend position of £1.651m;
 - b) Note the projected Capital outturn break-even position; and
 - c) Note the budget adjustments detailed at sections 6 and 7.
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3. Revenue Budget Projection – underspend of £1.651m 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.

4. Objective Analysis – Significant Variances

4.1 Finance and Resources - £0.067m underspend

This forecast position mainly reflects the minor staffing underspend in Internal Audit.

4.2 Environment, Housing and Infrastructure - £0.684m overspend

There is an anticipated overspend of £440k forecast within Public Building Repairs. This is due to the continued inflationary and cost pressures that have been experienced by the service over the last few financial years. The position has improved since last year and continues to be closely monitored. Mitigating actions will be taken by management where appropriate.

Soft Facilities Management is forecasting an in overspend of £244k. In the main, the cost of provisions are still continually increasing due to inflationary pressures and are now expecting to overspend as a result. However, this overspend is being offset by a projected underspend in employee costs due to the level of vacancies within the service.

In relation to income, the service is expected to reflect an under-recovery in income as a result of a reduction in recharge income as well as an under-recovery of HQ car park income, along with lower than budgeted school meal income expected in the final quarter of the financial year. This reduced income relates to the provision of free school meals to P6 and P7 pupils whose family receives the Scottish Child Payment. The position will be closely monitored throughout the year and any further updates provided to Board.

4.3 Chief Executive's Service (Estates) - £0.132m overspend

This forecast position mainly reflects an anticipated under-recovery in rental income as a result of a property at Houston Square held vacant as part of the delivery of the Johnstone Vision regeneration programme, together with costs to maintain surplus properties and progress to sale.

4.4 Miscellaneous Services – £2.400m underspend

As previously indicated to board, there is an anticipated over-recovery of investment interest income owing to interest rates remaining at a level higher than the established income budget, and this is now forecast to bring an additional £2.400m of investment income to General Services.

5. Subjective Analysis – Significant Variances

5.1 Employee Costs - £0.804m underspend

Soft Facilities Management is projecting an underspend of £0.616m, which reflects current high staff turnover and recruitment challenges. This is partly offset by projected overspend in Finance and Resources (£0.201m) mainly due to lower than expected levels of staff turnover at this stage in the financial year. The position will be closely monitored, with the overspends expected to ease in the coming periods as a result of likely staff movement across the service.

5.2 Premises Related - £0.888m overspend

This projected overspend predominantly sits within repairs and maintenance in Public Building Repairs due the continued inflationary and cost pressures that have been experienced by the service over the last few financial years. It is partly offset by underspends and income elsewhere in the service at present. The position has stabilised since last year and continues to be closely monitored.

5.3 **Supplies and Services - £0.558m overspend**

This projected overspend predominantly sits within Environment, Housing & Infrastructure on work by contractors within Property Services, and provisions within Soft FM and Building Services, the costs of which are recovered through recharge income.

Income - £2.300m over-recovery

The main factor in this forecast is the anticipated over-recovery in investment income, as noted in paragraph 4.4 above. This is offset by other projected under-recoveries, including (£207k) within Soft FM, as highlighted in paragraph 4.2 above.

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. The following budget adjustments reflect allocations of funding to services, and are therefore for noting only:

Revenue Budget Adjustments for noting			
Objective Heading	Subjective Heading	Amount (£m)	Reason
Miscellaneous	Employees	0.695	Scottish Government funding allocation for pay award 2023/24
Miscellaneous	Supplies & Services	(1.900)	Transfer of funding for Non-Domestic Rates Relief
Miscellaneous	Transfer Payments	(0.564)	Transfer to Children's Services for Early Years Provider Rate

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. Finance, Resources and Customer Services approved capital spend for 2024/25 is £14.294m.

- 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 £5.035m have been decelerated into 2025/26 to reflect updated timing on the programming of some capital projects, particularly the timing of various Lifecycle Capital Maintenance Projects in schools now expected to be carried out over summer 2025. The revised capital spend for 2024/25 is £9.259m, and details of the adjustments are as follows:

Capital Budget Adjustments	
Project	Amount (£m)
ICT Infrastructure, Maintenance and Renewal Programmes	(0.322)
Lifecycle Capital Maintenance Fund	(4.713)
Total	(5.035)

Implications of the Report

1. Financial

The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an underspend of £1.651m (1.8%) 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 to mitigate any overspends.

The projected outturn position for Finance, Resources and Customer Services' Capital budget is break-even, after the adjustments outlined at section 7.

2. HR & Organisational Development

While staffing budgets form a significant proportion of the Council's revenue budgets, there are no direct implications arising from the recommendations in 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 purpose and safe for the community, to maximise accessibility.
Building strong, safe and resilient communities	
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 mainly in lifecycle maintenance improvements to existing properties, replacement of ICT assets and infrastructure and replacement of artificial pitches.

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 new 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 an important 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 financial risk that the Council will overspend its approved revenue budgets for the year is 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. Children's Rights

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

13. 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.

14. Cosla Policy Position

N/a

List of Background Papers

- Revenue Budget and Council Tax 2024/25, Council 29 February 2024
- The Capital Investment Programme 2024/25 to 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: FINANCE, RESOURCES & CUSTOMER 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
Finance and Resources	43,750	46	43,796	43,729	67	0.2%	57	10
Environment, Housing and Infrastructure	23,094	162	23,256	23,940	(684)	(2.9%)	(377)	(307)
Chief Executive's Service (Estates)	(168)	441	273	405	(132)	(48.4%)	(55)	(77)
Miscellaneous	27,852	(2,843)	25,009	22,609	2,400	9.6%	0	2,400
NET EXPENDITURE	94,528	(2,194)	92,334	90,683	1,651	1.8%	(375)	2,026

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	85,135	1,101	86,236	85,432	804	0.9%	(21)	825
Premises Related	13,394	540	13,934	14,822	(888)	(6.4%)	(739)	(149)
Transport Related	2,189	119	2,308	2,372	(64)	(2.8%)	(126)	62
Supplies and Services	28,965	(2,315)	26,650	27,208	(558)	(2.1%)	(1,244)	686
Third Party Payments	1,925	(27)	1,898	1,875	24	1.2%	24	(1)
Transfer Payments	45,335	1,625	46,960	46,938	23	0.0%	90	(68)
Support Services	202	547	749	738	11	1.5%	16	(5)
Depreciation and Impairment Losses	9,182	0	9,182	9,182	0	0.0%	0	0
GROSS EXPENDITURE	186,327	1,590	187,917	188,566	(649)	0.3%	(2,000)	1,351
Income	(91,799)	(3,784)	(95,583)	(97,883)	2,300	2.4%	1,625	675
NET EXPENDITURE	94,528	(2,194)	92,334	90,683	1,651	1.8%	(375)	2,026

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

POLICY BOARD: FINANCE, RESOURCES & CUSTOMER 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
Finance and Resources Directorate	(807)	(66)	(873)	(943)	70	8.0%	91	(21)
Audit Services	612	0	612	544	68	11.1%	74	(6)
Corporate Governance	2,912	115	3,027	2,995	32	1.1%	0	32
Digital, Transformation & Customer Services	23,034	323	23,357	23,397	(40)	(0.2%)	(16)	(24)
Finance and Procurement	5,531	(784)	4,747	4,735	12	0.3%	6	6
Business Services	7,862	418	8,280	8,280	0	0.0%	13	(13)
Housing Benefits	1,678	13	1,691	1,692	(1)	(0.1%)	(16)	15
People & Organisational Development	2,110	27	2,137	2,196	(59)	(2.8%)	(95)	36
Social care (non-delegated)	818	0	818	833	(15)	(1.8%)	0	(15)
NET EXPENDITURE	43,750	46	43,796	43,729	67	0.2%	57	10

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

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

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	33,832	16	33,848	34,049	(201)	(0.6%)	(389)	188
Premises Related	2,738	(159)	2,579	2,517	62	2.4%	78	(16)
Transport Related	259	0	259	239	20	7.7%	22	(2)
Supplies and Services	9,890	1,860	11,750	11,730	20	0.2%	74	(54)
Third Party Payments	1,883	0	1,883	1,860	24	1.2%	24	(1)
Transfer Payments	46,349	413	46,762	46,769	(7)	0.0%	49	(56)
Support Services	380	106	486	460	26	5.3%	5	21
GROSS EXPENDITURE	95,331	2,236	97,567	97,623	(56)	(0.1%)	(137)	81
Income	(51,581)	(2,190)	(53,771)	(53,894)	123	0.2%	194	(71)
NET EXPENDITURE	43,750	46	43,796	43,729	67	0.2%	57	10

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

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

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
Building Services	109	0	109	109	0	0.0%	0	0
Public Building Repairs	3,922	25	3,947	4,387	(440)	(11.1%)	(389)	(51)
Soft Facilities Management Services	18,860	137	18,997	19,241	(244)	(1.3%)	12	(256)
Property Services	203	0	203	203	0	0.0%	0	0
NET EXPENDITURE	23,094	162	23,256	23,940	(684)	(2.9%)	(377)	(307)

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	31,323	183	31,506	30,501	1,005	3.2%	368	637
Premises Related	3,574	53	3,627	4,494	(867)	(23.9%)	(811)	(56)
Transport Related	1,530	119	1,649	1,733	(84)	(5.1%)	(148)	64
Supplies and Services	11,276	1,362	12,638	13,216	(578)	(4.6%)	(1,318)	740
Transfer Payments	151	4	155	126	29	18.7%	41	(12)
Support Services	1,222	0	1,222	1,237	(15)	(1.2%)	11	(26)
GROSS EXPENDITURE	49,076	1,721	50,797	51,307	(510)	(1.0%)	(1,857)	1,347
Income	(25,982)	(1,559)	(27,541)	(27,367)	(174)	(0.6%)	1,480	(1,654)
NET EXPENDITURE	23,094	162	23,256	23,940	(684)	(2.9%)	(377)	(307)

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

POLICY BOARD: FINANCE, RESOURCES & CUSTOMER SERVICES - CHIEF EXECUTIVE'S SERVICE (ESTATES)

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	0	0	0	0	0	0.0%	0	0
Premises Related	1,128	0	1,128	1,211	(83)	(7.4%)	(6)	(77)
Supplies and Services	4	0	4	4	0	0.0%	0	0
Transfer Payments	66	0	66	66	0	0.0%	0	0
Support Services	0	441	441	441	0	0.0%	0	0
GROSS EXPENDITURE	1,198	441	1,639	1,722	(83)	(5.1%)	(6)	(77)
Income	(1,366)	0	(1,366)	(1,317)	(49)	(3.6%)	(49)	0
NET EXPENDITURE	(168)	441	273	405	(132)	(48.4%)	(55)	(77)

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

POLICY BOARD: FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

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	19,980	902	20,882	20,882	0	0.0%	0	0
Premises Related	5,954	646	6,600	6,600	0	0.0%	0	0
Transport Related	400	0	400	400	0	0.0%	0	0
Supplies and Services	7,795	(5,537)	2,258	2,258	0	0.0%	0	0
Third Party Payments	42	(27)	15	15	0	0.0%	0	0
Transfer Payments	(1,231)	1,208	(23)	(23)	0	0.0%	0	0
Support Services	(1,400)	0	(1,400)	(1,400)	0	0.0%	0	0
Depreciation and Impairment Losses	9,182	0	9,182	9,182	0	0.0%	0	0
GROSS EXPENDITURE	40,722	(2,808)	37,914	37,914	0	0.0%	0	0
Income	(12,870)	(35)	(12,905)	(15,305)	2,400	18.6%	0	2,400
NET EXPENDITURE	27,852	(2,843)	25,009	22,609	2,400	9.6%	0	2,400

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
 1st April to 13th Septmber 2024
POLICY BOARD: FINANCE, RESOURCES & CUSTOMER SERVICES

Project Title	Prior Years Expenditure to 31/03/2024 £000	Current Year 2024-25						Full Programme - All years					
		Approved Budget 2024-25 £000	Budget Adjustments since previous £000	Revised Budget 2024-25 £000	Projected Outturn 2024-25 £000	Budget Variance (Adverse) or		Total Approved Budget to 31-Mar-29 £000	Projected Outturn to 31-Mar-29 £000	Budget Variance (Adverse) or Favourable			
CORPORATE PROJECTS													
ICT Infrastructure Maintenance & Renewal Programme	0	1,569	(322)	1,247	1,247	0	0%	3,369	3,369	0	0%		
Energy Efficiency Programme	0	0	0	0	0	0	0%	0	0	0	0%		
Lifecycle Capital Maintenance (LCM) Fund	0	11,197	(4,713)	6,484	6,484	0	0%	24,096	24,096	0	0%		
Artificial Pitch Upgrades	1,277	524	0	524	524	0	0%	1,801	1,801	0	0%		
Digital Infrastructure Provision	1,904	32	0	32	32	0	0%	1,936	1,936	0	0%		
Community Empowerment Fund	462	552	0	552	552	0	0%	1,014	1,014	0	0%		
Villages Improvement Fund	274	276	0	276	276	0	0%	550	550	0	0%		
Retail Improvement Fund	76	144	0	144	144	0	0%	220	220	0	0%		
CO2 Monitors	233	0	0	0	0	0	0%	233	233	0	0%		
TOTAL FINANCE, RESOURCES & CUSTOMER SERVICES BOARD	4,226	14,294	(5,035)	9,259	9,259	0	0%	33,219	33,219	0	0%		