

**To:** Finance, Resources and Customer Services Policy Board

**On:** 31 March 2021

**Report by:** Director of Finance and Resources

**Heading:** Revenue and Capital Budget Monitoring as at 8 January 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 £4.251m (4.2%) 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	£35,987	£35,542	£1,708	<b>£37,250</b>	(£1,263)	3.5%
Environment and Infrastructure	£17,835	£17,008	£3,983	<b>£20,990</b>	(£3,155)	17.7%
Miscellaneous	£46,408	£46,429	(£8,690)	<b>£37,739</b>	£8,669	-18.7%
<b>Total</b>	<b>£100,230</b>	<b>£98,979</b>	<b>(£2,999)</b>	<b>£95,979</b>	<b>£4,251</b>	<b>-4.2%</b>

<b>Table 2: Capital</b>						
<b>Division</b>	<b>Revised Annual Budget £000</b>	<b>Projected Outturn Core £000</b>	<b>Projected Outturn COVID-19 £000</b>	<b>Total Projected Outturn £000</b>	<b>Budget Variance (Adv)/Fav £000</b>	<b>Budget Variance %</b>
Finance, Resources and Customer Services, including Environment and Infrastructure	£5,743	£5,743	£0	<b>£5,743</b>	£0	0.0%

## **2. Recommendations**

Members are requested to:

- 2.1. Note the projected Revenue outturn position detailed in Table 1 above, considering that the forecast position is based on best estimates and confirmed government support at this point in time and may not incorporate the full financial implications of a sustained period of the current lockdown arrangements. Forecasts are likely to be subject to considerable fluctuation as the full service implications and associated costs of the pandemic become clear;
- 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 £4.251m (4.2% of total budget) for services reporting to the Finance, Resources and Customer Services Policy Board. This position results from the fact that 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 these projections 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 £1.965m have been processed since the last report. These related

mainly to budget increases in Environment and Infrastructure Services, as follows:

- £1.337m transferred from Children's Services for catering and cleaning related to the expansion of early learning to 1140 hours;
- £0.531m Food Fund COVID-19 funding from the Scottish Government;
- £0.080m transferred from Chief Executives to Finance and Resources relating to web governance.

## **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 of £0.254m as result of changes to cash flow timings within the ICT & Infrastructure Renewal Programme.
- 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 reprofiling from 2020/21 to 2021/22 totalling £0.254m has taken place, as follows:
  - ICT Infrastructure & Renewal (£0.254m) due to the expected delivery of Core IT upgrades now planned for Summer 2021.

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## **Implications of this report**

1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an underspend of £4.251m. 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.

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#### **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 26 June 2020 - Finance, Resources and Customer Services Policy Board, 2 September 2020

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**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April 2020 to 8th January 2021**

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

Objective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Finance and Resources	35,908	79	35,987	35,542	1,708	37,250	(1,263)	(3.5%)	(1,271)	8
Environment and Infrastructure	15,928	1,907	17,835	17,007	3,983	20,990	(3,155)	(17.7%)	(2,830)	(325)
Miscellaneous	46,429	(21)	46,408	46,429	(8,690)	37,739	8,669	18.7%	8,690	(21)
<b>NET EXPENDITURE</b>	<b>98,265</b>	<b>1,965</b>	<b>100,230</b>	<b>98,978</b>	<b>(2,999)</b>	<b>95,979</b>	<b>4,251</b>	<b>4.2%</b>	<b>4,589</b>	<b>(338)</b>

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	77,817	1,119	78,936	73,703	1,726	75,428	3,508	4.4%	(583)	4,091
Premises Related	9,125	38	9,163	9,506	0	9,506	(343)	(3.7%)	(340)	(3)
Transport Related	816	0	816	803	93	896	(80)	(9.8%)	(438)	358
Supplies and Services	28,342	808	29,150	26,382	(7,353)	19,029	10,121	34.7%	7,541	2,580
Third Party Payments	2,002	0	2,002	2,004	0	2,004	(2)	(0.1%)	(2)	0
Transfer Payments	63,795	(10,003)	53,792	53,397	0	53,397	395	0.7%	10,486	(10,091)
Support Services	2,608	0	2,608	2,059	0	2,059	549	21.0%	(315)	864
Depreciation and Impairment Losses	13,196	0	13,196	13,196	0	13,196	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>197,701</b>	<b>(8,038)</b>	<b>189,663</b>	<b>181,050</b>	<b>(5,534)</b>	<b>175,516</b>	<b>14,147</b>	<b>7.5%</b>	<b>16,348</b>	<b>(2,201)</b>
Income	(99,436)	10,003	(89,433)	(82,072)	2,535	(79,537)	(9,896)	(11.1%)	(11,760)	1,863
<b>NET EXPENDITURE</b>	<b>98,265</b>	<b>1,965</b>	<b>100,230</b>	<b>98,978</b>	<b>(2,999)</b>	<b>95,979</b>	<b>4,251</b>	<b>4.2%</b>	<b>4,589</b>	<b>(338)</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April 2020 to 8th January 2021**

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

Objective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID- 19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Finance and Resources Directorate	(767)	0	(767)	(787)	0	(787)	20	2.6%	9	11
Corporate Governance	2,956	0	2,956	2,808	125	2,933	23	0.8%	0	23
Finance Services	3,382	0	3,382	3,402	0	3,402	(20)	(0.6%)	(9)	(11)
ICT Services	9,355	0	9,355	9,676	160	9,836	(481)	(5.1%)	(578)	97
HR, OD and Workforce Strategy	2,515	0	2,515	2,787	0	2,787	(272)	(10.8%)	(263)	(9)
Customer and Business Services	14,701	0	14,701	14,124	830	14,954	(253)	(1.7%)	(252)	(1)
Housing Benefits	1,778	0	1,778	1,772	0	1,772	6	0.3%	5	1
Property Services	639	0	639	332	395	727	(88)	(13.8%)	(149)	61
Social care (non-delegated)	743	0	743	770	0	770	(27)	(3.6%)	(61)	34
Change Fund	19	79	98	99	198	297	(199)	(203.1%)	0	(199)
Finance projects	0	0	0	0	0	0	0	0.0%	0	0
Audit Services	587	0	587	559	0	559	28	4.8%	27	1
<b>NET EXPENDITURE</b>	<b>35,908</b>	<b>79</b>	<b>35,987</b>	<b>35,542</b>	<b>1,708</b>	<b>37,250</b>	<b>(1,263)</b>	<b>(3.5%)</b>	<b>(1,271)</b>	<b>8</b>

Objective Heading	Key Reasons for Significant Projected Variances
Corporate Governance	COVID-19 overspend arises from loss of income within Licensing and Registration services; the projection for this has reduced since Period 8
ICT Services	Anticipated overspend within Business World team owing to overlap of software contract re-tender exercise this year; COVID-19 overspend arises from increased kit and data requirements over the period of lockdown; a transfer of budget from within Finance and Resources has reduced the projection here.
Customer and Business Services	COVID-19 overspend arises from loss of income from statutory additions and Water Direct, mitigated by savings in postage and printing costs
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.
Change Fund	A transfer of budget from Chief Executives for web governance has taken place. COVID-19 related spend has increased since Period 8.

RENFREWSHIRE COUNCIL  
REVENUE BUDGET MONITORING STATEMENT 2020/21  
1st April 2020 to 8th January 2021

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

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID- 19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	33,009	0	33,009	33,497	167	33,664	(655)	(2.0%)	(462)	(193)
Premises Related	2,085	0	2,085	2,191	0	2,191	(106)	(5.1%)	(143)	37
Transport Related	82	0	82	59	0	59	23	28.0%	16	7
Supplies and Services	8,250	79	8,329	8,468	216	8,684	(355)	(4.3%)	(488)	133
Third Party Payments	1,637	0	1,637	1,639	0	1,639	(2)	(0.1%)	(2)	0
Transfer Payments	63,602	(10,003)	53,599	53,135	0	53,135	464	0.9%	10,573	(10,109)
Support Services	596	0	596	505	0	505	91	15.3%	77	14
<b>GROSS EXPENDITURE</b>	<b>109,261</b>	<b>(9,924)</b>	<b>99,337</b>	<b>99,494</b>	<b>383</b>	<b>99,877</b>	<b>(540)</b>	<b>32.7%</b>	<b>9,571</b>	<b>(10,111)</b>
Income	(73,353)	10,003	(63,350)	(63,952)	1,325	(62,627)	(723)	(1.1%)	(10,842)	10,119
<b>NET EXPENDITURE</b>	<b>35,908</b>	<b>79</b>	<b>35,987</b>	<b>35,542</b>	<b>1,708</b>	<b>37,250</b>	<b>(1,263)</b>	<b>(3.5%)</b>	<b>(1,271)</b>	<b>8</b>



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
1st April 2020 to 8th January 2021

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

Objective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Building Services	(338)	0	(338)	71	589	660	(998)	295.3%	(482)	(516)
Street Lighting Maintenance Work	373	0	373	523	0	523	(150)	(40.3%)	(144)	(6)
Public Building Repairs	3,550	38	3,588	3,588	0	3,588	(0)	(0.0%)	(0)	(0)
Cleaning And Janitorial Services	7,120	504	7,624	5,982	2,533	8,515	(891)	(11.7%)	(170)	(722)
Catering	4,561	1,365	5,926	6,303	861	7,164	(1,238)	(20.9%)	(2,094)	857
School Crossing Patrols	662	0	662	540	0	540	122	18.5%	60	63
<b>NET EXPENDITURE</b>	<b>15,928</b>	<b>1,907</b>	<b>17,835</b>	<b>17,007</b>	<b>3,983</b>	<b>20,990</b>	<b>(3,155)</b>	<b>(17.7%)</b>	<b>(2,830)</b>	<b>(325)</b>

Objective Heading	Key Reasons for Significant Projected Variances
Building Services	Increased employee costs due to the delivery of the food insecurity packages across Renfrewshire. Due to restrictions on construction work there is a loss of productivity and therefore lower income. Measures are being put in place to try and minimise the effect of this for the remainder of the year.
Cleaning And Janitorial Services	There is a significant spend related to the service response to the pandemic, including significant additional cleaning in schools, and additional hours required to cover for absence related to staff shielding.
Catering	The pressure due to the pandemic includes, a loss of income from school meals and Renfrewshire House café. Also includes food costs of the food insecurity packages delivered to residents across Renfrewshire. These are partially offset by savings in food purchases.

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2020/21**  
**1st April 2020 to 8th January 2021**

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

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	18,734	1,118	19,852	14,131	1,559	15,690	4,162	21.0%	(120)	4,283
Premises Related	3,184	40	3,224	3,461	0	3,461	(237)	(7.3%)	(199)	(38)
Transport Related	734	0	734	744	93	837	(103)	(14.1%)	(454)	351
Supplies and Services	5,417	749	6,166	3,239	1,121	4,360	1,806	29.3%	(661)	2,467
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	1	0	1	71	0	71	(70)	(6975.4%)	(88)	18
Support Services	706	0	706	247	0	247	459	65.0%	(391)	850
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
<b>GROSS EXPENDITURE</b>	<b>28,776</b>	<b>1,907</b>	<b>30,683</b>	<b>21,893</b>	<b>2,773</b>	<b>24,666</b>	<b>6,017</b>	<b>19.6%</b>	<b>(1,914)</b>	<b>7,931</b>
Income	(12,848)	0	(12,848)	(4,886)	1,210	(3,676)	(9,172)	(71.4%)	(917)	(8,256)
<b>NET EXPENDITURE</b>	<b>15,928</b>	<b>1,907</b>	<b>17,835</b>	<b>17,007</b>	<b>3,983</b>	<b>20,990</b>	<b>(3,155)</b>	<b>(17.7%)</b>	<b>(2,830)</b>	<b>(325)</b>

RENFREWSHIRE COUNCIL  
REVENUE BUDGET MONITORING STATEMENT 2020/21  
1st April 2020 to 8th January 2021

POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS

Subjective Summary	Revised Annual Budget at Period 8	New Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID- 19	Total Projected Outturn	Budget Variance (Adverse) / Favourable		Previous Projected Outturn Variance	Movement (Adverse) / Favourable
	£000	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	26,075	0	26,075	26,075	0	26,075	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	14,675	(21)	14,654	14,675	(8,690)	5,985	8,669	59.2%	8,690	(21)
Third Party Payments	365	0	365	365	0	365	0	0.0%	0	0
Transfer Payments	191	0	191	191	0	191	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
<b>GROSS EXPENDITURE</b>	<b>59,663</b>	<b>(21)</b>	<b>59,642</b>	<b>59,663</b>	<b>(8,690)</b>	<b>50,973</b>	<b>8,669</b>	<b>14.5%</b>	<b>8,690</b>	<b>(21)</b>
Income	(13,234)	0	(13,234)	(13,234)	0	(13,234)	0	0.0%	0	0
<b>NET EXPENDITURE</b>	<b>46,429</b>	<b>(21)</b>	<b>46,408</b>	<b>46,429</b>	<b>(8,690)</b>	<b>37,739</b>	<b>8,669</b>	<b>18.7%</b>	<b>8,690</b>	<b>(21)</b>

Subjective Heading	Key Reasons for Significant Projected Variances
Employee Costs	Budget adjustment relates to realignment of Council Tax Reduction budgets to Council Tax
Supplies and Services	COVID-19 projection relates to an overspend of £0.500m in Free School Meal and an under-recovery in savings of £0.850m due to the pause in R4R arising from the pandemic. An under-recovery in investment income of £0.6m is also anticipated. These are offset by £10.6m of additional COVID-19 funding from the Scottish Government that has not been allocated to services.
Transfer Payments	Budget adjustment relates to R4R savings being transferred in from Finance and Resources

RENFREWSHIRE COUNCIL  
CAPITAL BUDGET MONITORING STATEMENT 2020/2021  
1st April 2020 to 8th January 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	%
<b>CORPORATE PROJECTS</b>											
ICT Infrastructure Maint & Renewal Programme	0	1,231	(161)	1,070	1,070	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	(2,409)	2,748	2,748	0	0%	9,290	9,290	0	0%
Digital Infrastructure Provision	435	1,200	0	1,200	1,200	0	0%	1,935	1,935	0	0%
Community Empowerment Fund	74	351	(8)	343	343	0	0%	951	951	0	0%
Greenspaces and Parks	193	396	(14)	382	382	0	0%	1,016	1,016	0	0%
Villages Improvement Fund	0	0	0	0	0	0	0%	150	150	0	0%
<b>TOTAL</b>	<b>702</b>	<b>9,382</b>	<b>(3,639)</b>	<b>5,743</b>	<b>5,743</b>	<b>0</b>	<b>0%</b>	<b>17,014</b>	<b>17,014</b>	<b>0</b>	<b>0%</b>

\*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