
To: Leadership Board

On: 2 December 2020

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

Heading: Revenue and Capital Budget Monitoring as at 18 September 2020

1. Summary of Financial Position

- 1.1. The table below outlines the projected Revenue and Capital outturn positions as at 31 March 2021 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 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 £000	Budget Variance %
Adult Services	72,259	70,501	0	70,501	1,758	2.4%
Chief Executives	21,297	21,619	3,680	25,299	(4,002)	(18.8%)
Communities, Housing & Planning Services (Paisley Legacy)	415	415	0	415	0	0.0%

Table 2: Capital						
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	£25,115	£25,115	£0	£25,115	£0	0%
Leisure Services	£1,095	£1,095	£0	£1,095	£0	0%

2. Recommendations

Members are requested to:

- 2.1. Note the projected Revenue outturn position detailed in Table 1 above;
- 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 overspend of (£2.244m) (2.4% of total budget) for all services reporting to this Policy Board. Detailed division service 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. Any changes to these projections will be detailed in future reports to this Board.
- 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 COVID19 on both Renfrewshire Leisure and the HSCP.
 - At present RL remain heavily impacted by the response to the COVID crisis with facilities only recently re-opening (in some cases only partially reopening) under the Scottish Government's phase three arrangements and as a consequence have experienced a significant loss of income. More recent Scottish Government restrictions on indoor activities also impacts on costs and income levels. It is anticipated that over the course of the remainder of 2020/21 RL will experience only a partial financial recovery due to the ongoing operational restrictions impacting on the revenue recovery as well as additional operational costs. It is forecast that over the course of 2020/21 the Council could be required to provide RL with up to an additional £4.3m of financial support and this is reflected

within the reported figures. RL continues to try and mitigate this position through securing additional national government support where eligible.

- Within adult services managed by Renfrewshire HSCP, the service has been required to take unprecedented measures in response to the coronavirus pandemic, including substantial levels of support to external care providers in order to ensure their ongoing financial sustainability. As at period 6, the service estimates that costs incurred specifically in relation to COVID-19 may reach £14m by the end of the financial year, of which £5.6m relates to payments to private adult and elderly care providers in order to ensure their ongoing financial sustainability. The Scottish Government has provided confirmation that all reasonable additional costs associated specifically with the crisis will be fully funded and funding is flowing to HSCP's on this basis. In this context, additional costs specifically relating to the COVID response is not therefore included within this report on the clear expectation of these costs being funded directly by the Scottish Government. Outwith COVID19 specific costs, the service is forecasting a £1.8m underspend on core service provision primarily due to vacancies across a range of service area. The outturn year end underspend will be incorporated into IJB reserves and this forecasted year end position will be taken into account in the financial planning arrangements for 2021/22 operating between the Council and the HSCP.

4. Revenue Budget Adjustments

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.691m have been processed since the last report. These related mainly to:
- £0.085m transfer of funding to the Chief Executives Service for the management of the continued delivery of free sanitary products in communities,
 - £0.145m transfer of funding from reserves for the continued delivery of the Public WiFi and Tackling Poverty multi-year programmes, and
 - £0.473m transfer of budget for Local Partnership grants from Finance & Resources to the Chief Executives Service to reflect management responsibility for the programme.

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 3 indicates movement in the approved capital programme for the Chief Executive's Service for the year of £6.866m which is explained further below.

- 5.3. For Leisure Services the approved capital spend for 2020/21 is £1.095m.
- 5.4. The Capital Monitoring report at Appendix 3 indicates no change in the approved capital programme for Leisure Services, with the programme expected to continue in line with projected timescales at this stage.
- 5.5. Further detail, including reasons for significant variances, can be found at Appendix 3.

6. Capital Budget Adjustments

- 6.1. Since the last report, budget changes in totalling £6.866m have arisen which reflect the following:

Budget Carried Forward to 2021-22 from 2020-21 (£6.866m) due to continuing amendments to programme timescales arising as a result of the Covid-19 pandemic:

- City Deal Related Projects – AMIDS: Public Realm Phase 1 (£0.565m)
 - Paisley Venues & Town Centre Infrastructure (£3.829m);
 - Town Centre Capital Fund (£2.250m);
 - THI/CARS 2 (£0.222m).
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Implications of this report

1. **Financial** – The projected budget outturn position for Leadership Board Revenue budget is an overspend of (£2.244m). 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 Leadership Board Capital budget 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.

List of Background Papers

Revenue Budget and Council Tax 2020/21 Council 9th March 2020

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2020/21 to 2022/23
Council, 9th March 2020.

Author: Valerie Howie, Revenue
 Geoff Borland, Capital

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 18th September 2020

POLICY BOARD : LEADERSHIP BOARD

Objective Summary	Revised Annual Budget at Period 3	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
Adult Services	72,259	0	72,259	70,501	0	70,501	1,758	2.4%	1,589	169
Chief Executive's Service	20,606	691	21,297	21,619	3,680	25,299	(4,002)	(18.8%)	(4,057)	55
Communities, Housing & Planning Services (Paisley Legacy)	415	0	415	415	0	415	0	0.0%	0	0
NET EXPENDITURE	93,280	691	93,971	92,535	3,680	96,215	(2,244)	(2.4%)	(2,468)	224

Subjective Summary	Revised Annual Budget at Period 3	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
Employees	39,829	1,032	40,861	38,956	(100)	38,856	2,005	4.9%	1,280	725
Premises Related	821	74	895	965	0	965	(70)	(7.8%)	(109)	39
Transport Related	802	0	802	633	0	633	169	21.1%	64	105
Supplies and Services	14,316	219	14,535	14,647	3,740	18,387	(3,852)	(26.5%)	(4,068)	216
Third Party Payments	58,351	3,934	62,285	57,413	0	57,413	4,872	7.8%	565	4,307
Transfer Payments	8,146	(2,812)	5,334	9,425	0	9,425	(4,091)	(76.7%)	(351)	(3,740)
Support Services	125	(9)	116	104	0	104	12	10.3%	23	(11)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	122,390	2,438	124,828	122,143	3,640	125,783	(955)	(0.8%)	(2,596)	1,641
Income	(29,110)	(1,747)	(30,857)	(29,608)	40	(29,568)	(1,289)	(4.2%)	128	(1,417)
NET EXPENDITURE	93,280	691	93,971	92,535	3,680	96,215	(2,244)	(2.4%)	(2,468)	224

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 18th September 2020

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Objective Summary	Revised Annual Budget at Period 3	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
Older People	48,808	(2,697)	46,111	44,175	0	44,175	1,936	4.2%	2,224	(288)
Physical or Sensory Difficulties	6,041	308	6,349	6,606	0	6,606	(257)	(4.0%)	(654)	397
Learning Difficulties	14,303	2,322	16,625	16,760	0	16,760	(135)	(0.8%)	(302)	167
Mental Health Needs	2,445	49	2,494	2,342	0	2,342	152	6.1%	273	(121)
Addiction Services	662	18	680	618	0	618	62	9.1%	48	14
NET EXPENDITURE	72,259	0	72,259	70,501	0	70,501	1,758	2.4%	1,589	169

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 pandemic.
Physical or Sensory Difficulties	The overspend within PD is mainly due to pressures on the Adult placement budget reflecting the impact of increasing demand and SDS.
Learning Difficulties	The overspend within LD is mainly due to pressures on the Adult placement budget reflecting the impact of increasing demand and SDS.
Mental Health Needs	Underspends in employee costs reflecting vacancies due to recruitment issues.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 18th September 2020

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Subjective Summary	Revised Annual Budget at Period 3	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
Employees	31,334	905	32,239	30,324		30,324	1,915	5.9%	1,165	750
Premises Related	353	0	353	368		368	(15)	(4.2%)	(10)	(5)
Transport Related	800	0	800	631		631	169	21.1%	64	105
Supplies and Services	1,735	0	1,735	1,724		1,724	11	0.6%	(47)	58
Third Party Payments	58,232	3,934	62,166	57,294		57,294	4,872	7.8%	565	4,307
Transfer Payments	5,990	(3,571)	2,419	6,012		6,012	(3,593)	(148.5%)	28	(3,621)
Support Services	70	0	70	58		58	12	17.1%	13	(1)
Depreciation and Impairment Losses	0	0	0	0		0	0	0.0%	0	0
GROSS EXPENDITURE	98,514	1,268	99,782	96,411	0	96,411	3,371	3.4%	1,778	1,593
Income	(26,255)	(1,268)	(27,523)	(25,910)		(25,910)	(1,613)	(5.9%)	(189)	(1,424)
NET EXPENDITURE	72,259	0	72,259	70,501	0	70,501	1,758	2.4%	1,589	169

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 18th September 2020

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Objective Summary	Revised Annual Budget at Period 3	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
Chief Executive and Management	353	13	366	364	15	379	(13)	(3.6%)	(28)	15
Policy and Commissioning	4,036	691	4,727	4,908	(40)	4,868	(141)	(3.0%)	(377)	236
Marketing and Communications	2,886	0	2,886	2,671	(620)	2,051	835	28.9%	664	171
City Deal	0	0	0	0	0	0	0	0.0%	0	0
Regeneration and Economic Development	2,291	(13)	2,278	2,638	25	2,663	(385)	(16.9%)	(16)	(369)
Leisure Services (incl Renfrewshire Leisure)	11,040	0	11,040	11,038	4,300	15,338	(4,298)	(38.9%)	(4,300)	2
NET EXPENDITURE	20,606	691	21,297	21,619	3,680	25,299	(4,002)	(18.8%)	(4,057)	55

Objective Heading	Key Reasons for Projected Variance
Policy and Commissioning	The adverse variance represents the net effect of a reduction in employee costs due to staff turnover and staff on parenting leave which will assist in funding an element of the costs incurred in responding to the COVID-19 pandemic, set against expenditure on strategic investment projects which will be funded by a further drawdown from earmarked reserves as required.
Marketing and Communications	The favourable variance has arisen as a result of the net reduction in costs from the cancellation of the Renfrewshire Council events programme for 2020, together with a reduction in employee costs due to staff turnover and staff on parenting leave.
Regeneration and Economic Development	The adverse variance reflects the costs of studies commissioned to assist in determining the impact on the Renfrewshire economy of COVID-19 together with the cost of irrecoverable grant due to staff redeployment and the expected drawdown from earmarked reserves to fund the projected revenue costs associated with the Cultural Infrastructure Programme.
Leisure Services (incl Renfrewshire Leisure)	The projected costs of supporting Renfrewshire Leisure with a revised level of requisition as a result of the net impact of income loss and increased costs incurred as a result of the closure of facilities during the lockdown period.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 18th September 2020

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Subjective Summary	Revised Annual Budget at Period 3	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
Employees	8,331	127	8,458	8,468	(100)	8,368	90	1.1%	115	(25)
Premises Related	468	74	542	597	0	597	(55)	(10.1%)	(99)	44
Transport Related	2	0	2	2	0	2	0	0.0%	0	0
Supplies and Services	12,581	219	12,800	12,923	3,740	16,663	(3,863)	(30.2%)	(4,021)	158
Third Party Payments	119	0	119	119	0	119	0	0.0%	0	0
Transfer Payments	1,905	759	2,664	3,162	0	3,162	(498)	(18.7%)	(379)	(119)
Support Services	55	(9)	46	46	0	46	0	0.0%	10	(10)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	23,461	1,170	24,631	25,317	3,640	28,957	(4,326)	(17.6%)	(4,374)	48
Income	(2,855)	(479)	(3,334)	(3,698)	40	(3,658)	324	9.7%	317	7
NET EXPENDITURE	20,606	691	21,297	21,619	3,680	25,299	(4,002)	(18.8%)	(4,057)	55

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 18th September 2020

POLICY BOARD : LEADERSHIP BOARD - PAISLEY LEGACY

Subjective Summary	Revised Annual Budget at Period 3	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
Employees	164	0	164	164	0	164	0	0.0%	0	0
Premises Related	0	0	0	0	0	0	0	0.0%	0	0
Transport Related	0	0	0	0	0	0	0	0.0%	0	0
Supplies and Services	0	0	0	0	0	0	0	0.0%	0	0
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	251	0	251	251	0	251	0	0.0%	0	0
Support Services	0	0	0	0	0	0	0	0.0%	0	0
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	415	0	415	415	0	415	0	0.0%	0	0
Income	0	0	0	0	0	0	0	0.0%	0	0
NET EXPENDITURE	415	0	415	415	0	415	0	0.0%	0	0

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 18th September 2020
POLICY BOARD: LEADERSHIP

Project Title	Prior Years Expenditure to 31/03/2020*	Current Year 2020-21						Full Programme - All years			
		Approved Budget 2020-21	Budget Adjustments in 2020-21	Revised Budget 2020-21	Projected Outturn 2020-21	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	
	£000	£000	£000	£000	£000						
LEISURE SERVICES											
Leisure Investment Programme	52,266	334	0	334	334	0	0%	52,600	52,600	0	0%
Grass Pitches & Changing Facilities	3,564	637	0	637	637	0	0%	4,201	4,201	0	0%
Community Halls Refurbishment	19	124	0	124	124	0	0%	2,536	2,536	0	0%
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	500	500	0	0%
Total Leisure Services	55,849	1,095	0	1,095	1,095	0	0%	59,837	59,837	0	0%
CHIEF EXECUTIVES											
City Deal Projects											
Glasgow Airport Investment Area	21,931	15,340	563	15,903	15,903	0	0%	38,944	38,944	0	0%
Clyde Waterfront & Renfrew Riverside	15,116	17,921	-16,203	1,718	1,718	0	0%	82,848	82,848	0	0%
Airport Access	2,934	1,202	-1,202	0	0	0	0%	96,346	96,346	0	0%
City Deal Related Projects											
GAIA Regeneration	0	2,000	0	2,000	2,000	0	0%	5,500	5,500	0	0%
AMDS: Public Realm Phase 1 Netheron Square	89	2,277	-2,125	152	152	0	0%	2,983	2,983	0	0%
Paisley Venues & Town Centre Infrastructure											
Paisley Art Centre Redevelopment	233	400	-393	7	7	0	0%	2,800	2,800	0	0%
Paisley Town Hall Redevelopment	1,613	3,366	-2,193	1,173	1,173	0	0%	22,650	22,650	0	0%
Flexible Outdoor Facility/Travel & Accessibility Infrastru	266	2,519	-2,415	104	104	0	0%	9,700	9,700	0	0%
Playing Fields and Sports Development	392	1,404	-1,249	155	155	0	0%	7,500	7,500	0	0%
Paisley Museum	5,979	5,616	-4,351	1,265	1,265	0	0%	42,500	42,500	0	0%
Town Centre Capital Fund	329	1,333	-203	1,130	1,130	0	0%	3,709	3,709	0	0%
Paisley Learning & Cultural Hub	1,593	2,802	-2,219	583	583	0	0%	7,000	7,000	0	0%
Retail Improvement Fund	0	0	100	100	100	0	0%	100	100	0	0%
Townscape Heritage CARS 2	911	2,285	-1,460	825	825	0	0%	4,099	4,099	0	0%
Total Chief Executives	51,386	58,465	(33,350)	25,115	25,115	0	0%	326,679	326,679	0	0%
TOTAL LEADERSHIP BOARD	107,235	59,560	(33,350)	26,210	26,210	0	0%	386,516	386,516	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
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 £18.967m slipping into future years to reflect revised timescales.
Paisley Venues & Town Centres Infrastructure	As as result of the Covid-19 pandemic, a total £12.820m of programmed expenditure has been reprofiled into future years to reflect revised timescales.
Town Centre Capital Fund	£2.250m of the additional funding approved by Council on March 9th has been reprofiled into 2020-21 in order to prioritise expenditure for the grant awarded by Scottish Government which requires to be fully committed by 31 March 2021.