
To: Infrastructure, Land and Environment Policy Board

On: 04 November 2020

Report by: Director of Finance & Resources, Director of Environment and Infrastructure & Director of Communities, Housing & Planning

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

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 £2.901m (9.3%) against the revised budget for the year.
- 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 | 29,517 | 28,565 | 3,784 | 32,349 | (2,832) | 9.6 |
| Communities, Housing and Planning (Regulatory Services) | 1,621 | 1,625 | 65 | 1,690 | (69) | 4.3 |

| 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 | 14,746 | 14,746 | 0 | 14,746 | 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 and confirmed government support at this point in time; 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 as detailed in Table 2 above; and
- 2.3. Note the budget adjustments detailed in section 5.

3. Revenue

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £2.901 million (9.3% of total budget) for Infrastructure, Land and Environment. This a reduction in projected expenditure of £0.611m since last reported to this Board. 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 reasons for the projected outturn position are 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

- 4.1. Since the last report, budget changes of £0.048m have arisen

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 £0.457m. This mainly arises due to budget increases within the Vehicle Replacement 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 changes in totalling £0.457m have arisen which reflect the following:

Budget brought forward to 2020-21 from 2021-22 (£0.109m):

- Investment in Cemeteries (£0.109m) for updated cash-flows received after the development of the programme resulting from the additional £0.400m approved by Council on 9th March 2020.

Budget increases in 2020-21 (£0.348m):

- Vehicle Replacement Programme (£0.348m) for grants awarded in relation to Electric Vehicle Charging Infrastructure.

Implications of this report

1. **Financial** – The projected budget outturn position for Infrastructure, Land and Environment Revenue budget is an overspend of £2.901m. Income and expenditure will continue to be monitored closely for the rest of the financial year and steps will be taken to mitigate any overspend as far as possible within existing budgets.

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.

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 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.

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Geoffrey Borland (Capital)

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

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

| 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 |
| Directorate and Service Co-ordination | 1,983 | (420) | 1,563 | 1,443 | 12 | 1,455 | 108 | 6.9% | 454 | (345) |
| Refuse Collection | 5,212 | (158) | 5,054 | 5,040 | 889 | 5,930 | (876) | (17.3%) | (389) | (486) |
| Household Waste Recycling Centres | 632 | 39 | 671 | 636 | 222 | 857 | (186) | (27.8%) | (20) | (166) |
| Refuse Disposal | 7,410 | (154) | 7,256 | 7,253 | 932 | 8,184 | (928) | (12.8%) | (605) | (323) |
| Streetscene | 5,334 | (212) | 5,122 | 4,761 | 233 | 4,993 | 129 | 2.5% | (135) | 264 |
| Sustainability and Place | 567 | (45) | 522 | 394 | 5 | 399 | 123 | 23.5% | 9 | 114 |
| Fleet Services | (656) | 437 | (219) | (399) | 0 | (399) | 180 | 82.2% | (274) | 454 |
| Social Transport | 1,455 | 257 | 1,712 | 1,314 | 0 | 1,314 | 398 | 23.3% | (134) | 532 |
| Roads Operations | 2,736 | 18 | 2,754 | 2,978 | 105 | 3,083 | (329) | (11.9%) | (283) | (46) |
| Infrastructure and Assets | 1,588 | (13) | 1,575 | 1,496 | 97 | 1,593 | (18) | (1.1%) | (60) | 42 |
| Traffic Management | 1,192 | 239 | 1,431 | 1,205 | 0 | 1,205 | 226 | 15.8% | (128) | 354 |
| Parking of Vehicles | (1,051) | (41) | (1,092) | (723) | 790 | 67 | (1,159) | (106.2%) | (1,433) | 273 |
| Strathclyde Partnership for Transport Requisition | 3,168 | 0 | 3,168 | 3,168 | 500 | 3,668 | (500) | (15.8%) | (500) | 0 |
| Regulatory Services | 1,616 | 5 | 1,621 | 1,625 | 65 | 1,690 | (69) | (4.3%) | (13) | (56) |
| NET EXPENDITURE | 31,186 | (48) | 31,138 | 30,190 | 3,849 | 34,039 | (2,901) | (9.3%) | (3,512) | 611 |

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

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

| 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's | £000's | £000's | £000's | £000's | £000's | £000's | % | £000's | £000's |
| Employees | 20,739 | 469 | 21,208 | 20,501 | 815 | 21,316 | (108) | (0.5%) | (267) | 159 |
| Premises Related | 1,094 | 0 | 1,094 | 1,169 | 5 | 1,174 | (80) | (7.4%) | (3) | (77) |
| Transport Related | 6,378 | (452) | 5,926 | 5,588 | 232 | 5,820 | 106 | 1.8% | 249 | (143) |
| Supplies and Services | 12,585 | (436) | 12,149 | 12,096 | 1,028 | 13,123 | (974) | (8.0%) | (78) | (896) |
| Third Party Payments | 3,203 | 0 | 3,203 | 3,208 | 500 | 3,708 | (505) | (15.8%) | (500) | (5) |
| Transfer Payments | 53 | 6 | 59 | 74 | 0 | 74 | (15) | (25.4%) | (40) | 25 |
| Support Services | 228 | (0) | 228 | 218 | 0 | 218 | 10 | 4.5% | 4 | 6 |
| Depreciation and Impairment Losses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0 | 0 |
| GROSS EXPENDITURE | 44,280 | (413) | 43,867 | 42,854 | 2,580 | 45,434 | (1,567) | (3.6%) | (635) | (932) |
| Income | (13,094) | 365 | (12,729) | (12,664) | 1,269 | (11,395) | (1,334) | (10.5%) | (2,877) | 1,543 |
| NET EXPENDITURE | 31,186 | (48) | 31,138 | 30,190 | 3,849 | 34,039 | (2,901) | (9.3%) | (3,512) | 611 |

| Objective Heading | Key Reasons for Projected Variance |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refuse Collection | Reduced commercial waste customers, due to business closures, reduced special uplifts, and sale of bins, results in a projected loss of income of £0.240m, a slight improvement since period 3. Increased employee costs of shielding, absence and adherence to social distancing measures are partially offset by a reduction in employee costs 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 £0.205m for the year. |
| Refuse Disposal | A significant increase in household waste for both residual and recycling tonnages, resulting in a forecast increase in the costs of disposal. At present there is no indication that early increase in household waste tonnages is decreasing and it is now estimated it will continue at present levels for the remainder of the financial year. In addition there is an expected loss of income from both scrap metal and textile contracts. This is partially offset by a reduction in the tonnages processed through the HWRC's. |
| Streetscene | Underspends on supplies and services and fuel costs. |
| Social Transport | Additional driver support is required to adhere to service social distancing measures specifically within refuse collection, resulting in increased income recovery. |
| Roads Operations | A one of cost pressure on materials cost and increased employee costs during reponse to the pandemic. Capital improvement works carried out by the service have decreased significantly. Work is underway to increase efficiencies with a view to reducing projected service delivery costs. |
| Traffic Management | An underspend in employee costs due to vacancy management, as well as strict expenditure controls within supplies and services |
| Parking of Vehicles | Parking charges were suspended from March 2020, and reintroduced during August. The forecast position has therefore improved slightly due to this, albeit at a much lower level than previous years. |
| Strathclyde Partnership for Transport Requisition | SPT have indicated they are facing significant commercial income shortfalls which may require support from member councils to address |

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 18th September 2020
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 | (339) | 7,461 | 7,461 | 0 | 0% | 30,861 | 30,861 | 0 | 0% |
| Vehicle Replacement Programme | 0 | 1,800 | 471 | 2,271 | 2,271 | 0 | 0% | 2,271 | 2,271 | 0 | 0% |
| Bridge Assessment/Strengthening | 0 | 300 | 162 | 462 | 462 | 0 | 0% | 562 | 562 | 0 | 0% |
| Lighting Columns Replacement | 0 | 500 | 257 | 757 | 757 | 0 | 0% | 757 | 757 | 0 | 0% |
| Traffic Management | 0 | 1,000 | 0 | 1,000 | 1,000 | 0 | 0% | 1,000 | 1,000 | 0 | 0% |
| Core pathways & cycle network | 0 | 0 | 200 | 200 | 200 | 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 | 260 | 320 | 320 | 0 | 0% | 2,350 | 2,350 | 0 | 0% |
| LED Street Lighting Strategy | 9,370 | 0 | 1 | 1 | 1 | 0 | 0% | 9,370 | 9,370 | 0 | 0% |
| Multi Purpose Bins | 52 | 0 | 28 | 28 | 28 | 0 | 0% | 80 | 80 | 0 | 0% |
| Improvements to Cemetery Estate | 949 | 0 | 300 | 300 | 300 | 0 | 0% | 1,441 | 1,441 | 0 | 0% |
| Underwood Depot - Workshop Improvements | 40 | 209 | (4) | 205 | 205 | 0 | 0% | 245 | 245 | 0 | 0% |
| ANPR Recognition Equipment Underwood Road Recy | 0 | 0 | 80 | 80 | 80 | 0 | 0% | 80 | 80 | 0 | 0% |
| Strathclyde Partnership Transport | 0 | 0 | 875 | 875 | 875 | 0 | 0% | 875 | 875 | 0 | 0% |
| TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD | 12,838 | 12,452 | 2,294 | 14,746 | 14,746 | 0 | 0% | 52,025 | 52,025 | 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 |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vehicle Replacement Programme | Review of departmental structures since Covid-19 has paused the programme. This has potential to delay delivery of some vehicles beyond March 2021 depending on the outcome. |