

To: Leadership Board

On: 14 September 2022

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

Heading: Revenue and Capital Budget Monitoring as at 24 June 2022

1. Summary of Financial Position

- 1.1. The projected revenue outturn at 31 March 2023 for those services reporting to the Leadership Board is an underspend position of £1.789m.
- 1.2. The projected capital outturn at 31 March 2023 for projects reporting to the Leadership Board is a breakeven position against the revised budget for the year.
- 1.3. This is summarised in the table below and further analysis is provided in the Appendices.

Table 1: Revenue				
Division	Revised Annual Budget £000	Projected Annual Outturn £000	Budget Variance £000	Budget Variance %
Adult Services	93,607	91,542	2,065	2.2%
Chief Executives	20,327	20,603	(276)	(1.4%)
Total	113,934	112,145	1,789	1.6%

Table 2: Capital				
Division	Revised Annual Budget £000	Projected Annual Outturn £000	Budget Variance £000	Budget Variance %
Chief Executives	50,823	50,823	0	0%
Leisure Services	2,366	2,366	0	0%
Total	53,189	53,189	0	0%

2. Recommendations

2.1. Members are requested to:

- (a) Note the projected Revenue outturn position detailed in Table 1 above;
- (b) Note the projected Capital outturn position detailed in Table 2 above; and
- (c) 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 £1.789m (1.6% of total budget) for all services reporting to this Board. Detailed division 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.
- 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 COVID-19 on both OneRen and Renfrewshire HSCP:

- OneRen is likely to continue to experience increased cost and reduced revenue generation in the short to medium term as a result of both temporary and more permanent behavioural changes as the recovery from COVID progresses. It is projected that the Council may require to provide OneRen with up to an additional £0.350 million of financial support over 2022/23. The Board and management team of OneRen will continue to put measures in place to mitigate the level of financial support required.
- Within Adult Services, managed by Renfrewshire HSCP, the service continues to take significant action in response to the pandemic, including providing substantial levels of support to external care providers in order to ensure their ongoing financial sustainability.

At Period 3, the service estimates that costs of £9.9m will be incurred specifically in relation to COVID-19 Adult Social Care services by the end of the financial year; this includes costs related to financial sustainability payments to private adult and elderly care providers. The projected costs are however based on the current position and may change depending on the impact of COVID on both internal and externally provided services.

- The Scottish Government provided the HSCP with additional COVID-19 funding in the final quarter of 2021/22. This funding has been held as an earmarked reserve and will be utilised to fund COVID-19 costs incurred this financial year. In this context, additional costs specifically relating to the COVID-19 response are not therefore included within this report. Outwith COVID-19 specific costs, the service is current forecasting a £2.1m underspend on core service provision reflecting the significant an ongoing recruitment issues within the health and social care sector.

4. Revenue Budget Adjustments

4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.847m have been processed since the 2022/23 budget was approved in March. These relate to:

- **Chief Executives**

- +£0.646m Future Paisley budget transferred from Miscellaneous services;
- +£0.033m service realignment of budget for Corporate Procurement
- +£0.200m drawn down from COVID-specific general reserves to replenish the Cultural Heritage & Events Fund (CHEF)

- **Adult Services**

- -£0.022m transferred from Adult Services to Housing for Women's Aid Uplift 4.16% for Living Wage.
- -£0.010 transferred from Adult Services for 3.5% increase in Care and Repair Budget in Housing.

5. Capital

- 5.1. The Capital Investment Programme 2022/23 to 2026/27 was approved by the Council on 3 March 2022.
- 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 £5.842m which is explained further below.
- 5.3. The Capital Monitoring report at Appendix 3 indicates movement in the approved capital programme for Leisure Services for the year of £1.612m.
- 5.4. Further detail, including reasons for significant variances, can be found at Appendix 3.

- 5.5. It is anticipated that due to both the impact of COVID-19 on the construction industry through constrained supply chain capacity for all major building materials, coupled with heightened demand across the globe as economies emerge from pandemic lockdowns, there will be increasing financial pressures and potential time impacts in several of the Council's capital building projects. In this context and as previously planned, it is anticipated that consequential cost pressures arising from COVID-19 will require to be addressed from COVID-specific reserve balances. Future reports will provide further detail as this issue develops more substantially over the coming weeks and months and such issues are progressed with individual contractors.

6. Capital Budget Adjustments

- 6.1. Since the 2022/23 budget was approved in March, budget adjustments totalling £7.454m have arisen as a result of the following:

Net budget brought forward into 2021/22 from 2022/23 (£3.555m) as result of updated cash flows:

- **Chief Executives**
 - City Deal: Clyde Waterfront & Renfrew Riverside (£3.555m).

Net budget carried forward into 2022/23 from 2021/22 (£5.903m) as result of updated cash flows:

- **Chief Executives**
 - City Deal: Glasgow Airport Investment Area (£1.934m);
 - GAIA Regeneration: (£1.891m);
 - AMIDS: Netherton Square (£0.012m);
 - AMIDS: District Heating Network (£1.204m).
- **Leisure Services**
 - Leisure Investment Programme (£0.321m);
 - Grass Pitches and Changing Facilities: (£0.369m);
 - Communities Hall Refurbishment (£0.172m).

Budget brought forward from 2023/24 into 2022/23 for updated cash flows (£3.406m);

- **Chief Executives**
 - AIMIDS South (£3.406m) to reflect expected timing of expenditure on White Cart Gateway.

Budget increases in 2022/23 (£1.150m)

- **Chief Executives**

- AMIDS: Netherton Square (£0.950m) as approved by Council on 30 June 2022.

- **Leisure Services**

- Communities Hall Refurbishment (£0.200m) as approved by Council on 3 March 2022.

Budget transfers in 2022/23 (£0.550m);

- **Leisure Services**

- Community Hall Refurbishment (£0.550m) transfer from Strategic Asset Management Fund as approved by Council on 3 March 2022.
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Implications of this report

1. **Financial** – The projected budget outturn position for the revenue budget reported to the Leadership Board is an underspend of £1.789m. 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 capital budgets reported to the Leadership Board 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

The Capital Investment Programme 2022/23 to 2026/27 approved by the Council on 3 March 2022

Authors: Valerie Howie (Revenue) and Geoff Borland (Capital)

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 24 June 2022

POLICY BOARD : LEADERSHIP BOARD

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget P3	Projected Outturn	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%
Adult Services	93,639	(32)	93,607	91,542	91,542	2,065	2.2%
Chief Executive's Service	19,448	879	20,327	20,603	20,603	(276)	(1.4%)
NET EXPENDITURE	113,087	847	113,934	112,145	112,145	1,789	1.6%

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget P3	Projected Outturn	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%
Employees	37,335	3,921	41,256	39,961	39,961	1,295	3.1%
Premises Related	725	11	736	848	848	(112)	(15.2%)
Transport Related	841	0	841	458	458	383	45.5%
Supplies and Services	14,979	236	15,215	15,434	15,434	(219)	(1.4%)
Third Party Payments	64,976	10,575	75,551	75,079	75,079	472	0.6%
Transfer Payments	23,232	(14,755)	8,477	8,387	8,387	90	1.1%
Support Services	74	0	74	71	71	3	4.1%
Depreciation and Impairment Losses	0	0	0	0	0	0	0.0%
GROSS EXPENDITURE	142,162	(12)	142,150	140,238	140,238	1,912	1.3%
Income	(29,075)	859	(28,216)	(28,093)	(28,093)	(123)	(0.4%)
NET EXPENDITURE	113,087	847	113,934	112,145	112,145	1,789	1.6%

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 24 June 2022

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget P3	Projected Outturn	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%
Older People	66,521	(5,690)	60,831	59,539	59,539	1,292	2.1%
Physical or Sensory Difficulties	6,482	245	6,727	6,525	6,525	202	3.0%
Learning Difficulties	17,062	5,611	22,673	22,383	22,383	290	1.3%
Mental Health Needs	2,938	(212)	2,726	2,480	2,480	246	9.0%
Addiction Services	636	14	650	615	615	35	5.4%
NET EXPENDITURE	93,639	(32)	93,607	91,542	91,542	2,065	2.2%

Objective Heading	Key Reasons for Projected Variance
Older People	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Physical or Sensory Difficulties	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Learning Difficulties	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Mental Health Needs	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.
Addiction Services	Underspends in employee costs reflecting national recruitment issues facing all Health & Social Care.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 24 June 2022

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget P3	Projected Outturn	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%
Employees	32,517	3,722	36,239	35,009	35,009	1,230	3.4%
Premises Related	353	11	364	473	473	(109)	(29.9%)
Transport Related	840	0	840	458	458	382	45.5%
Supplies and Services	1,730	235	1,965	1,835	1,835	130	6.6%
Third Party Payments	64,850	10,575	75,425	74,953	74,953	472	0.6%
Transfer Payments	21,783	(15,600)	6,183	6,090	6,090	93	1.5%
Support Services	70	0	70	67	67	3	4.3%
Depreciation and Impairment Losses	0	0	0	0	0	0	0.0%
GROSS EXPENDITURE	122,143	(1,057)	121,086	118,885	118,885	2,201	1.8%
Income	(28,504)	1,025	(27,479)	(27,343)	(27,343)	(136)	(0.5%)
NET EXPENDITURE	93,639	(32)	93,607	91,542	91,542	2,065	2.2%

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 24 June 2022

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget P3	Projected Outturn	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%
Chief Executive and Management	266	0	266	264	264	2	0.8%
Policy and Commissioning	4,530	33	4,563	4,531	4,531	32	0.7%
Marketing and Communications	2,918	846	3,764	3,733	3,733	31	0.8%
City Deal & Infrastructure	0	0	0		0	0	0.0%
Leisure Services (incl Renfrewshire Leisure)	11,734	0	11,734	12,075	12,075	(341)	(2.9%)
NET EXPENDITURE	19,448	879	20,327	20,603	20,603	(276)	(1.4%)

Objective Heading	Key Reasons for Projected Variance
Chief Executive and Management	No significant projected year end variances to report.
Policy and Commissioning	No significant projected year end variances to report.
Marketing and Communications	No significant projected year end variances to report.
City Deal & Infrastructure	No significant projected year end variances to report.
Leisure Services (incl Renfrewshire Leisure)	The adverse variance reflects the projected costs of supporting OneRen with a revised level of requisition as a result of the continued impact on service delivery of the recovery from the Covid pandemic.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2022/23
1 April 2022 to 24 June 2022

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget P3	Projected Outturn	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	%
Employees	4,818	199	5,017	4,952	4,952	65	1.3%
Premises Related	372	0	372	375	375	(3)	(0.8%)
Transport Related	1	0	1	0	0	1	100.0%
Supplies and Services	13,249	1	13,250	13,599	13,599	(349)	(2.6%)
Third Party Payments	126	0	126	126	126	0	0.0%
Transfer Payments	1,449	845	2,294	2,297	2,297	(3)	(0.1%)
Support Services	4	0	4	4	4	0	0.0%
Depreciation and Impairment Losses	0	0	0	0	0	0	0.0%
GROSS EXPENDITURE	20,019	1,045	21,064	21,353	21,353	(289)	(1.4%)
Income	(571)	(166)	(737)	(750)	(750)	13	1.8%
NET EXPENDITURE	19,448	879	20,327	20,603	20,603	(276)	(1.4%)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 24th June 2022
POLICY BOARD: LEADERSHIP

Project Title	Prior Years Expenditure to 31/03/2022*	Current Year 2022-23						Full Programme - All years			
		Approved Budget 2022-23	Budget Adjustments in 2022-23	Revised Budget 2022-23	Projected Outturn 2022-23	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-27	Projected Outturn to 31-Mar-27	Budget Variance (Adverse) or Favourable	
		£000	£000	£000	£000			£000	£000		
LEISURE SERVICES											
Leisure Investment Programme	52,279	0	321	321	321	0	0%	52,600	52,600	0	0%
Grass Pitches & Changing Facilities	3,872	0	369	369	369	0	0%	4,241	4,241	0	0%
Community Halls Refurbishment	1,710	754	922	1,676	1,676	0	0%	3,386	3,386	0	0%
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	1,000	1,000	0	0%
Total Leisure Services	57,861	754	1,612	2,366	2,366	0	0%	61,227	61,227	0	0%
CHIEF EXECUTIVES											
City Deal Projects											
Glasgow Airport Investment Area	38,662	2,314	1,934	4,248	4,248	0	0%	43,053	43,053	0	0%
Clyde Waterfront & Renfrew Riverside	21,821	37,714	-3,555	34,159	34,159	0	0%	117,748	117,748	0	0%
Airport Access	2,934	0	0	0	0	0	0%	141,991	141,991	0	0%
Economic Development											
GAIA Regeneration	2,109	0	1,891	1,891	1,891	0	0%	5,500	5,500	0	0%
AMIDS: Public Realm Phase 1 Netheron Square	246	2,726	962	3,688	3,688	0	0%	3,933	3,933	0	0%
AMIDS: District Heating Network	3,882	2,007	1,204	3,211	3,211	0	0%	7,093	7,093	0	0%
AMIDS: South	415	220	3,406	3,626	3,626	0	0%	42,328	42,328	0	0%
Total Chief Executives	70,069	44,981	5,842	50,823	50,823	0	0%	361,646	361,646	0	0%
TOTAL LEADERSHIP BOARD	127,930	45,735	7,454	53,189	53,189	0	0%	422,873	422,873	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.