
To: Infrastructure, Land and Environment Policy Board

On: 3 November 2021

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

Heading: Revenue and Capital Budget Monitoring as at 17 September 2021

1. Summary of Financial Position

- 1.1. The projected Revenue outturn as at 31 March 2022 for Infrastructure, Land and Environment is an overspend position of £3.175m (9.9%) against the revised budget for the year, with £3.142m of expenditure directly attributable to the response to the Covid19 pandemic.
- 1.2. The projected Capital outturn as at 31 March 2022 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 2021/22, 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 %
Environment and Infrastructure	30,396	30,445	3,100	33,545	(3,149)	9.9
Communities and Housing (Regulatory Services)	1,675	1,659	42	1,701	(26)	1.6

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 %
Environment and Infrastructure	20,820	20,820	0	20,820	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 at this time;
- 2.2. Note the projected Capital outturn position as detailed in Table 2 above; and
- 2.3. Note the Revenue and Capital budget adjustments detailed in sections 4 and 6.

3. Revenue

- 3.1. The Revenue Budget Monitoring report at Appendix 1 identifies a projected annual overspend of £3.175m (9.9% of total budget) for Infrastructure, Land and Environment. Narrative is provided in the Appendices below to provide context and explanation to the budget position for service areas.
- 3.2. The projected outturn includes £3.142m of costs directly attributable to the ongoing response to and recovery from the pandemic. The forecast financial overview for the Council being reported to FARCS Board incorporates the overspend position reflected in this report. It is expected that non-recurring resource earmarked at the end of 2020/21 will require to be utilised to fund this projected overspend.
- 3.3. The main reasons for the projected outturn position are indicated below, with 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 there have been budget adjustments of £66,000, relating to a budget allocation for the living wage increase in 2021/22.

5. Capital

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4th March 2021.

- 5.2. The Capital Monitoring report at Appendix 2 indicates adjustments in the approved capital programme of £0.441m. This mainly arises to reflect new funding awarded for Electric Vehicle Charging, Renewal of Play Parks and Nature Restoration Fund.
- 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 of £0.441m have arisen which reflect the following:

Budget Increases in 2021-22 (£0.441m): reflecting grant awards for the following projects;

- Vehicle Replacement Programme (£0.126m) for grant awards by Energy Saving Trust for supply and installation of electric vehicle charging infrastructure throughout Renfrewshire;
- Renewal of Play Parks (£0.158m) for grant awarded by Scottish Government for children's play park improvements in 2021-22;
- Nature Restoration Fund (£0.157m) for grant awarded by Scottish Government in 2021-22

Implications of this report

1. **Financial** – The projected budget outturn position for Infrastructure, Land and Environment Revenue budget is an overspend of £3.175m, with £3.142m due to the response to the pandemic.

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.

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.

Authors: Director of Finance & Resources, Director of Environment & Infrastructure and Director of Communities & Housing

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Objective Summary	Revised Annual Budget at P3	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	1,435	0	1,435	1,435	4	1,439	(4)	(0.3%)	(0)	(4)
Refuse Collection	5,040	14	5,054	5,355	1,342	6,697	(1,643)	(32.5%)	(1,368)	(275)
Household Waste Recycling Centres	671	1	672	690	208	898	(226)	(33.6%)	(342)	116
Refuse Disposal	7,248	0	7,248	7,308	715	8,023	(775)	(10.7%)	(667)	(108)
Streetscene	6,060	53	6,113	5,901	144	6,046	67	1.1%	126	(58)
Sustainability and Place	590	0	590	504	2	506	84	14.2%	106	(22)
Fleet Services	(151)	(34)	(185)	(258)	0	(258)	73	39.3%	13	60
Social Transport	1,667	30	1,697	1,605	(379)	1,226	471	27.8%	302	170
Roads Operations	2,744	1	2,745	2,680	6	2,686	59	2.2%	78	(19)
Infrastructure and Assets	1,740	1	1,741	1,739	0	1,739	2	0.1%	45	(43)
Transportation & Development	1,250	0	1,250	1,184	0	1,184	66	5.3%	89	(23)
Parking of Vehicles	(1,132)	0	(1,132)	(864)	1,058	194	(1,326)	(117.1%)	(1,277)	(49)
Strathclyde Partnership for Transport	3,168	0	3,168	3,168	0	3,168	0	0.0%	0	(0)
Requisition										
Regulatory Services	1,675	0	1,675	1,659	42	1,701	(26)	(1.6%)	(58)	32
NET EXPENDITURE	32,005	66	32,071	32,104	3,142	35,246	(3,175)	(9.9%)	(2,954)	(224)

Objective Heading	Key Reasons for Projected Variance
Refuse Collection	The pandemic continues to result in increased costs of absence and holiday cover, and additional employee and vehicle costs for adherence to social distancing measures. The majority of these vehicle costs are offset by increased income within social transport as mentioned below. At present these additional measures are forecast to remain in place for the full financial year. There is also an expected overspend on the supply of household waste bins, partly due to increased prices, and an under recovery of commercial waste income.
Household Waste Recycling Centres	In order to ensure the public can adhere safely to social distancing measures when visiting HWRC sites increased staffing was required to direct and control the operations. The need for these additional staff has now ended resulting in a reduction in projected costs.
Refuse Disposal	There continues to be a significant increase in household waste for both residual and recycling tonnages, resulting in a forecast increase in the costs of disposal, compared to pre pandemic years. In addition there is an expected loss of income from both scrap metal and textile contracts.
Sustainability & Place	Management controls and actions to mitigate the overall costs of the pandemic have resulted in an underspend in employee costs due to vacancy management.
Social Transport	Additional driver support is required to adhere to service social distancing measures mainly within refuse collection, as mentioned above, resulting in increased income recovery.
Parking of Vehicles	Off street parking charges are currently suspended and at present this is forecast to remain in place for the full year. In addition both on street parking and fine recovery is forecast to remain significantly lower due to the pandemic

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2021/22
1 April 2021 to 17 September 2021

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Subjective Summary	Revised Annual Budget at P3	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	21,969	16	21,985	21,608	1,141	22,749	(764)	(3.5%)	(902)	135
Premises Related	1,069	0	1,069	1,290	17	1,307	(238)	(22.2%)	(159)	(79)
Transport Related	6,055	30	6,085	6,176	558	6,734	(649)	(10.7%)	(191)	(458)
Supplies and Services	12,509	0	12,509	12,656	721	13,377	(868)	(6.9%)	(625)	(243)
Third Party Payments	3,203	0	3,203	3,203		3,203	(0)	0.0%	(0)	0
Transfer Payments	60	50	110	134		134	(24)	(21.6%)	(18)	(5)
Support Services	186	0	186	189		189	(3)	(1.5%)	(3)	0
Depreciation and Impairment Losses	0	0	0	0		0	0	0.0%	0	0
GROSS EXPENDITURE	45,051	96	45,147	45,256	2,437	47,693	(2,546)	(5.6%)	(1,899)	(650)
Income	(13,046)	(30)	(13,076)	(13,152)	705	(12,447)	(629)	(4.8%)	(1,055)	425
NET EXPENDITURE	32,005	66	32,071	32,104	3,142	35,246	(3,175)	(9.9%)	(2,954)	(224)

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 17th September 2021
POLICY BOARD: INFRASTRUCTURE, LAND & ENVIRONMENT

Project Title	Prior Years Expenditure to 31/03/2021*	Current Year 2021-22						Full Programme - All years			
		Approved Budget 2021-22	Budget Adjustments in 2021-22	Revised Budget 2021-22	Projected Outturn 2021-22	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31-Mar-26	Projected Outturn to 31-Mar-26	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000			£000	£000		
ENVIRONMENT & INFRASTRUCTURE											
Cycling, Walking & Safer Streets (Funded by Specific Contributions)	0	784	0	784	784	0	0%	1,284	1,284	0	0%
Roads/Footways Upgrade Programme	15,584	9,900	599	10,499	10,499	0	0%	39,180	39,180	0	0%
Safe Road Crossing	0	0	250	250	250	0	0%	250	250	0	0%
Vehicle Replacement Programme	0	1,700	1,207	2,907	2,907	0	0%	2,907	2,907	0	0%
Bridge Assessment/Strengthening	0	569	54	623	623	0	0%	622	622	0	0%
Lighting Columns Replacement	0	630	270	900	900	0	0%	900	900	0	0%
Traffic Management	0	200	36	236	236	0	0%	236	236	0	0%
Core pathways & cycle network	19	0	181	181	181	0	0%	200	200	0	0%
Parks Improvement Programme	2,122	228	40	268	268	0	0%	2,390	2,390	0	0%
Improvements to Outdoor Access and Play Area Programme	0	0	1,500	1,500	1,500	0	0%	1,500	1,500	0	0%
Multi Purpose Bins	60	20	0	20	20	0	0%	80	80	0	0%
Improvements to Cemetery Estate	1,209	150	41	191	191	0	0%	1,441	1,441	0	0%
Underwood Depot - Workshop Improvements	106	0	206	206	206	0	0%	312	312	0	0%
Clyde Mission Fund - Renfrew Riverside to Paisley TC Active Travel Route	0	0	935	935	935	0	0%	935	935	0	0%
Renewal of Play Parks	0	0	158	158	158	0	0%	158	158	0	0%
Nature Restoration Fund	0	0	157	157	157	0	0%	157	157	0	0%
Strathclyde Partnership Transport	0	0	1,005	1,005	1,005	0	0%	1,005	1,005	0	0%
TOTAL INFRASTRUCTURE, LAND & ENVIRONMENT BOARD	19,100	14,181	6,639	20,820	20,820	0	0%	53,557	53,557	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.