
To: Infrastructure, Land and Environment Policy Board

On: 27 January 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 13 November 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 £1.824m (5.9%) 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	29,468	28,664	2,530	31,194	(1,726)	5.8
Communities, Housing and Planning (Regulatory Services)	1,621	1,654	65	1,719	(98)	6.1

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	14,412	14,412	0	14,412	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 clearer;
- 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 £1.824 million (5.9% of total budget) for Infrastructure, Land and Environment. Narrative is provided to provide context and explanation to the budget position for service areas.
- 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 £0.334m. This mainly arises due to changes in the cashflow timings of various projects.
- 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 £0.334m have arisen which reflect the following:

Budget carried forward to 2021-22 from 2020-21 (£0.453m):

- Roads/Footways Upgrade Programme (£0.100m) for Road Markings not expected to be completed until early 2021-22 to allow analysis of Council wide traffic regulations to be completed before associated lining and signage is carried out.
- Bridge Assessment/Strengthening (£0.125m) to allow tender process for work at Crosslee Bridge to be completed.
- Parks Improvement Programme (£0.228m) to allow scope of works and contract initiation to be completed at Barshaw Park Pond and Robertson Park before main works commence in early 2021-22.

Budget Increases in 2021-22 (£0.119m):

- Vehicle Replacement Programme (£0.119m) for grant received for electric vehicles 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 £1.824m. 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.

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

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 13th November 2020

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Objective Summary	Revised Annual Budget at Period 6	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	1,563	26	1,589	1,487	12	1,499	90	5.6%	108	(19)
Refuse Collection	5,054	(4)	5,050	4,975	768	5,743	(693)	(13.7%)	(876)	183
Household Waste Recycling Centres	671	0	671	671	442	1,112	(441)	(65.8%)	(186)	(255)
Refuse Disposal	7,256	0	7,256	7,283	504	7,787	(531)	(7.3%)	(928)	398
Streetscene	5,122	(6)	5,116	4,786	224	5,010	106	2.1%	129	(23)
Sustainability and Place	522	(1)	521	390	5	395	126	24.1%	123	3
Fleet Services	(219)	26	(193)	(399)	0	(399)	206	106.8%	180	26
Social Transport	1,712	(45)	1,667	1,618	(364)	1,254	413	24.8%	398	15
Roads Operations	2,754	(10)	2,744	2,846	105	2,951	(207)	(7.5%)	(329)	122
Infrastructure and Assets	1,575	150	1,725	1,594	40	1,634	91	5.3%	(18)	109
Transportation & Development	1,431	(179)	1,252	1,040	0	1,040	212	16.9%	226	(14)
Parking of Vehicles	(1,092)	(5)	(1,098)	(793)	794	1	(1,099)	(100.1%)	(1,159)	61
Strathclyde Partnership for Transport										
Requisition	3,168	0	3,168	3,168	0	3,168	0	0.0%	(500)	500
Regulatory Services	1,621	0	1,621	1,654	65	1,719	(98)	(6.1%)	(69)	(29)
NET EXPENDITURE	31,138	(48)	31,089	30,318	2,595	32,913	(1,824)	(5.9%)	(2,901)	1,077

	Key Reasons for Projected Variance
Refuse Collection	Increased employee costs of shielding, absence due to the pandemic, PPE, and adherence to social distancing measures are partially offset by management controls to reduce non essential overtime 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 £0.240m for the year. There is also an under recovery of income from special uplifts. It is forecast that these costs pressures will continue to the end fo the financial year.
Household Waste Recycling Centres	In order to ensure the public can adhere safely to social distancing measures when visiting HWRC sites increased staffing is required to direct and control the operations. It is expected that these additional measures and resultant costs will continue to the end of the financial year. A high level of traffic management was also required for the initial period of re opening.
Refuse Disposal	A significant increase in household waste for both residual and recycling tonnages, resulting in a forecast increase in the costs of disposal. Tonnages presented at kerbside now appear to be dropping and this combined with more up to date data has resulted in the forecast overspend being lower than previously expected. 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 due to closure at the start of the financial year due to the pandemic.
Streetscene	Management controls and actions to mitigate the overall costs of the pandemic have resulted in projected underspends on supplies and services, overtime, and fuel costs.
Social Transport	Additional driver support is required to adhere to service social distancing measures mainly 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 since 2019/20. Work is underway to increase efficiencies with a view to reducing projected service delivery costs.
Traffic Management	Management controls and actions to mitigate the overall costs of the pandemic have resulted in an underspend in employee costs due to vacancy management, and within supplies and services
Parking of Vehicles	Parking charges were suspended from March 2020, and reintroduced during August, however usage of spaces is currently at a much lower level than previous years. Due to the pandemic it is forecast that this reduction in parking will continue to the end of the financial year.
Strathclyde Partnership for Transport Requisition	It is now forecast that SPT will manage the current financial year without the need for additional financial support from Councils due to the pandemic. This is due to a significant use of reserves as a one off measure to manage the current year budget, however SPT are likely to face financial pressures next financial year, which may result in increased requisition requirements from the Council.

RENFREWSHIRE COUNCIL
REVENUE BUDGET MONITORING STATEMENT 2020/21
1st April 2020 to 13th November 2020

POLICY BOARD : INFRASTRUCTURE, LAND AND ENVIRONMENT

Subjective Summary	Revised Annual Budget at Period 6	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	21,208	(50)	21,158	20,391	811	21,202	(44)	(0.2%)	(108)	64
Premises Related	1,094	0	1,094	1,177	5	1,182	(88)	(8.1%)	(80)	(8)
Transport Related	5,926	0	5,926	5,529	265	5,794	132	2.2%	106	26
Supplies and Services	12,149	210	12,359	12,213	782	12,995	(636)	(5.1%)	(974)	338
Third Party Payments	3,203	0	3,203	3,209	0	3,209	(6)	(0.2%)	(505)	499
Transfer Payments	59	1	60	114	0	114	(54)	(89.7%)	(15)	(39)
Support Services	228	0	228	218	0	218	10	4.4%	10	(0)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	43,867	161	44,028	42,851	1,863	44,714	(686)	(1.6%)	(1,567)	880
Income	(12,729)	(209)	(12,939)	(12,533)	732	(11,801)	(1,138)	(8.8%)	(1,334)	196
NET EXPENDITURE	31,138	(48)	31,089	30,318	2,595	32,913	(1,824)	(5.9%)	(2,901)	1,077

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 13th November 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	(439)	7,361	7,361	0	0%	30,861	30,861	0	0%
Vehicle Replacement Programme	0	1,800	590	2,390	2,390	0	0%	2,390	2,390	0	0%
Bridge Assessment/Strengthening	0	300	37	337	337	0	0%	562	562	0	0%
Lighting Columns Replacement	0	500	258	758	758	0	0%	758	758	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	32	92	92	0	0%	2,350	2,350	0	0%
LED Street Lighting Strategy	9,370	0	0	0	0	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	1,960	14,412	14,412	0	0%	52,145	52,145	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