

**To:** Finance, Resources and Customer Services Policy Board

**On:** 1 September 2021

**Report by:** Director of Finance and Resources

**Heading:** Revenue and Capital Budget Monitoring as at 25 June 2021

## 1. Summary of Financial Position

- 1.1. The projected Revenue outturn at 31 March 2022 for Finance, Resources and Customer Services is an overspend position of £0.608m (0.7%) against the revised budget for the year.
- 1.2. The projected Capital outturn at 31 March 2022 for Finance, Resources and Customer Services is a break-even position.
- 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 (Adv)/Fav £000	Budget Variance %
Finance and Resources	£36,037	£35,603	£519	<b>£36,122</b>	(£85)	0.2%
Environment and Infrastructure	£16,296	£16,024	£795	<b>£16,819</b>	(£523)	3.2%
Miscellaneous	£37,527	£37,527	£0	<b>£37,527</b>	£0	0.0%
<b>Total</b>	<b>£89,860</b>	<b>£89,154</b>	<b>£1,314</b>	<b>£90,468</b>	<b>(£608)</b>	<b>0.7%</b>

<b>Table 2: Capital</b>						
<b>Division</b>	<b>Revised Annual Budget £000</b>	<b>Projected Outturn Core £000</b>	<b>Projected Outturn COVID-19 £000</b>	<b>Total Projected Outturn £000</b>	<b>Budget Variance (Adv)/Fav £000</b>	<b>Budget Variance %</b>
Finance, Resources and Customer Services, including Environment and Infrastructure	£8,717	£8,717	£0	<b>£8,717</b>	£0	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 £0.608m (0.7% of total budget) for Finance, Resources and Customer Services. This position results from the fact that all additional government funding related to the Covid19 pandemic is currently held within central Miscellaneous budgets and has not been allocated to departments. 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 reason 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. Members are requested to note from Appendix 1 that budget adjustments totalling £2.534m have been processed since the last report. These related mainly to:
  - Finance and Resources:
    - £0.280m transferred into Finance and Resources from Miscellaneous to for ICT contract costs;

- £0.222m transferred into Finance and Resources from Miscellaneous in relation to project management staffing;
- Environment and Infrastructure:
  - (£0.137m) transferred to other departments of Environment and Infrastructure relating to management and admin costs;
- Miscellaneous:
  - (£1.000m) transferred from Miscellaneous into Chief Executive Services relating to the Future Paisley programme;
  - (£0.280m) transferred from Miscellaneous into Finance and Resources to allocate budgets set aside to fund ICT contract costs;
  - (£0.222m) transferred from Miscellaneous into Finance and Resources in relation to project management staffing
  - £0.255m transferred into Miscellaneous reflecting budget savings realised under the Right for Renfrewshire programme

## **5. Capital**

- 5.1. The Capital Investment Programme 2021/22 to 2025/26 was approved by the Council on 4<sup>th</sup> March 2021. For Finance, Resources and Customer Services the approved capital spend for 2021/22 is £11.691m.
- 5.2. The Capital Monitoring report at Appendix 2 indicates a reduction in the approved capital programme for Finance, Resources and Customer Services for the year of £2.974m. This mainly arises from budget transfers from the Strategic Asset Management Fund and Lifecycle Capital Maintenance, offset by ICT brought forward from 2020/21.
- 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 totalling £2.974m have arisen, which reflect the following:
  - Budget carried forward from 2020/21 to 2021/22 (£0.656m):
    - ICT Infrastructure & Renewal (£0.433m) due to cash flow timings;
    - Lifecycle Capital Maintenance Budget (£0.223m) reflecting updated cashflows for various roof replacement, refurbishments and boiler replacements in which the timing of work had largely been affected by the COVID-19 pandemic;
  - Budget brought into 2020/21 from 2021/22 of £0.300m:

- Digital Infrastructure Provision (£0.300m) to reflect timing of work completed in March 2021.
- Budget transfers 2021/22 of £3.330m:
  - Strategic Asset Management Fund (£2.500m) transfers to Outdoor Access and Play Area, £1.500m, School & Early Learning Estate £0.750m, Safe Road Crossing Facilities, £0.250m, as approved by Council on 4 March 2021;
  - Lifecycle Capital Maintenance Fund (£0.790m) to Education & Children for the Bishopton Primary Refurbishment project which contains Lifecycle Maintenance works within the project, £0.750m, and the Communities Halls Refurbishment projects, £0.040m, for the McKillop Institute;
  - Greenspaces and Parks (£0.040m) to reflect award to Parks Improvement Programme for Barwood Park.

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## Implications of this report

1. **Financial** – The projected budget outturn position for Finance, Resources and Customer Services' Revenue budget is an overspend of £0.608m. Income and expenditure will continue to be monitored closely for the rest of the financial year and, as far as possible, steps will be taken to mitigate any overspend.

The projected outturn position for Finance, Resources and Customer Services' Capital budget is break-even. The Capital programme will continue to be monitored closely for the rest of the financial year and, where necessary, steps will be taken to mitigate any overspend.

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**  
The Capital expenditure in this board will result in lifecycle maintenance improvements to existing properties and replacement of ICT assets and infrastructure.

**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.

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**List of Background Papers**

Revenue Budget and Council Tax 2021/22. Council, 4th March 2021.

Non-Housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2021/22 – 2025/26. Council, 4th March 2021.

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**Authors:** Christine McCourt / Kevin Festorazzi / Geoff Borland



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

**POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES**

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Finance and Resources	35,424	613	36,037	35,603	519	36,122	(85)	(0.2%)
Environment and Infrastructure	16,434	(138)	16,296	16,024	795	16,819	(523)	(3.2%)
Miscellaneous	38,755	(1,228)	37,527	37,527	0	37,527	0	0.0%
<b>NET EXPENDITURE</b>	<b>90,613</b>	<b>(753)</b>	<b>89,860</b>	<b>89,154</b>	<b>1,314</b>	<b>90,468</b>	<b>(608)</b>	<b>(0.7%)</b>

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Employees	80,184	3,105	83,289	83,097	449	83,546	(257)	(0.3%)
Premises Related	8,381	209	8,590	7,906	0	7,906	684	8.0%
Transport Related	828	444	1,272	1,413	0	1,413	(141)	(11.1%)
Supplies and Services	18,219	1,073	19,292	19,208	(92)	19,116	176	0.9%
Third Party Payments	1,953	0	1,953	1,949	0	1,949	4	0.2%
Transfer Payments	52,366	304	52,670	53,047	0	53,047	(377)	(0.7%)
Support Services	6,497	(777)	5,720	5,635	0	5,635	85	1.5%
Depreciation and Impairment Losses	11,807	3,000	14,807	14,807	0	14,807	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>180,235</b>	<b>7,358</b>	<b>187,593</b>	<b>187,062</b>	<b>357</b>	<b>187,419</b>	<b>174</b>	<b>0.1%</b>
Income	(89,622)	(8,111)	(97,733)	(97,908)	957	(96,951)	(782)	(0.8%)
<b>NET EXPENDITURE</b>	<b>90,613</b>	<b>(753)</b>	<b>89,860</b>	<b>89,154</b>	<b>1,314</b>	<b>90,468</b>	<b>(608)</b>	<b>(0.7%)</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

**POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES**

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Finance and Resources Directorate	(349)	(5)	(354)	(443)	0	(443)	89	25.1%
Corporate Governance	2,976	(11)	2,965	2,891	49	2,940	25	0.8%
Finance Services	3,407	0	3,407	3,312	0	3,312	95	2.8%
ICT Services	9,406	441	9,847	9,705	0	9,705	142	1.4%
HR, OD and Workforce Strategy	2,532	222	2,754	2,838	0	2,838	(84)	(3.1%)
Customer and Business Services	13,999	(34)	13,965	13,834	328	14,162	(197)	(1.4%)
Housing Benefits	1,559	0	1,559	1,659	0	1,659	(100)	(6.4%)
Property Services	467	0	467	467	0	467	0	0.0%
Social care (non-delegated)	818	0	818	758	0	758	60	7.3%
Change Fund	19	0	19	19	142	161	(142)	(747.4%)
Finance projects	0	0	0	0	0	0	0	0.0%
Audit Services	590	0	590	563	0	563	27	4.6%
<b>NET EXPENDITURE</b>	<b>35,424</b>	<b>613</b>	<b>36,037</b>	<b>35,603</b>	<b>519</b>	<b>36,122</b>	<b>(85)</b>	<b>(0.2%)</b>

Objective Heading	Key Reasons for Significant Projected Variances
Corporate Governance	COVID-19 projection relates to reduced income in the Registration function, primarily due to a decrease in the number of weddings taking place.
ICT Services	Projected underspend is primarily due to staffing vacancies. Anticipated overspends in telephony costs are offset by software cost savings.
HR, OD and Workforce Strategy	It is anticipated that HR will overspend on staffing costs due to ongoing budget pressures.
Customer and Business Services	COVID-19 projection relates to an expected reduction in Statutory Additions income on Council Tax and Non-Domestic Rates. Other projected overspends relate to staffing costs, primarily in frontline services where the need to fill vacancies as they arise is essential, meaning that budgeted turnover targets are not being achieved.
Housing Benefits	An overspend is projected in relation to overpayments of Housing Benefits, based on prior year trends.
Change Fund	COVID-19 projection arises from additional staff costs and overtime across Finance and Resources that has been necessary in order to effectively respond to the pandemic.



**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

**POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - FINANCE & RESOURCES**

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Employees	31,785	416	32,201	33,522	134	33,656	(1,455)	(4.5%)
Premises Related	2,551	159	2,710	1,997	0	1,997	713	26.3%
Transport Related	82	(1)	81	51	0	51	30	37.0%
Supplies and Services	8,673	440	9,113	8,567	8	8,575	538	5.9%
Third Party Payments	1,652	0	1,652	1,648	0	1,648	4	0.2%
Transfer Payments	53,617	49	53,666	54,014	0	54,014	(348)	(0.6%)
Support Services	595	(6)	589	504	0	504	85	14.4%
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>98,955</b>	<b>1,057</b>	<b>100,012</b>	<b>100,303</b>	<b>142</b>	<b>100,445</b>	<b>(433)</b>	<b>78.7%</b>
Income	(63,531)	(444)	(63,975)	(64,700)	377	(64,323)	348	0.5%
<b>NET EXPENDITURE</b>	<b>35,424</b>	<b>613</b>	<b>36,037</b>	<b>35,603</b>	<b>519</b>	<b>36,122</b>	<b>(85)</b>	<b>(0.2%)</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

**POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - ENVIRONMENT AND INFRASTRUCTURE**

Objective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Building Services	(83)	(160)	(243)	(243)	290	47	(290)	119.3%
Street Lighting Maintenance Work	373	0	373	544	0	544	(171)	(45.8%)
Public Building Repairs	3,472	16	3,488	3,488	0	3,488	0	0.0%
Soft Facilities Management Services	12,672	6	12,678	12,235	505	12,740	(62)	(0.5%)
<b>NET EXPENDITURE</b>	<b>16,434</b>	<b>(138)</b>	<b>16,296</b>	<b>16,024</b>	<b>795</b>	<b>16,819</b>	<b>(523)</b>	<b>(3.2%)</b>

Objective Heading	Key Reasons for Significant Projected Variances
Building Services	The price of materials have increased significantly, due to supply issues because of the ongoing pandemic.
Street Lighting Maintenance Work	The street lighting cabling infrastructure, including control panels and safety boxes is getting older resulting in an increased need for essential repairs and maintenance. Investment options will be evaluated, with a view to potentially reducing the increasing cost of ongoing repairs.

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

**POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - ENVIRONMENT AND INFRASTRUCTURE**

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Employees	19,086	3,911	22,997	21,484	315	21,799	1,198	5.2%
Premises Related	3,108	51	3,159	3,188		3,188	(29)	(0.9%)
Transport Related	734	446	1,180	1,350		1,350	(170)	(14.4%)
Supplies and Services	5,496	2,893	8,389	8,851	(100)	8,751	(362)	(4.3%)
Third Party Payments	0	0	0	0		0	0	0.0%
Transfer Payments	1	0	1	31		31	(30)	(3000.0%)
Support Services	866	228	1,094	1,094		1,094	0	0.0%
Depreciation and Impairment Losses	0	0	0	0		0	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>29,291</b>	<b>7,529</b>	<b>36,820</b>	<b>35,998</b>	<b>215</b>	<b>36,213</b>	<b>607</b>	<b>1.6%</b>
Income	(12,857)	(7,667)	(20,524)	(19,974)	580	(19,394)	(1,130)	(5.5%)
<b>NET EXPENDITURE</b>	<b>16,434</b>	<b>(138)</b>	<b>16,296</b>	<b>16,024</b>	<b>795</b>	<b>16,819</b>	<b>(523)</b>	<b>(3.2%)</b>

**RENFREWSHIRE COUNCIL**  
**REVENUE BUDGET MONITORING STATEMENT 2021/22**  
**1 April 2021 to 25 June 2021**

**POLICY BOARD : FINANCE, RESOURCES & CUSTOMER SERVICES - MISCELLANEOUS**

Subjective Summary	Approved Annual Budget	Budget Adjustments	Revised Annual Budget	Projected Outturn Core Business	Projected Outturn COVID-19	Total Projected Outturn	Budget Variance (Adverse) or Favourable	
	£000	£000	£000	£000	£000	£000	£000	%
Employees	29,314	(1,223)	28,091	28,091	0	28,091	0	0.0%
Premises Related	2,721	0	2,721	2,721	0	2,721	0	0.0%
Transport Related	12	0	12	12	0	12	0	0.0%
Supplies and Services	4,050	(2,260)	1,790	1,790	0	1,790	0	0.0%
Third Party Payments	301	0	301	301	0	301	0	0.0%
Transfer Payments	(1,253)	255	(998)	(998)	0	(998)	0	0.0%
Support Services	5,037	(1,000)	4,037	4,037	0	4,037	0	0.0%
Depreciation and Impairment Losses	11,807	3,000	14,807	14,807	0	14,807	0	0.0%
<b>GROSS EXPENDITURE</b>	<b>51,989</b>	<b>(1,228)</b>	<b>50,761</b>	<b>50,761</b>	<b>0</b>	<b>50,761</b>	<b>0</b>	<b>0.0%</b>
Income	(13,234)	0	(13,234)	(13,234)	0	(13,234)	0	0.0%
<b>NET EXPENDITURE</b>	<b>38,755</b>	<b>(1,228)</b>	<b>37,527</b>	<b>37,527</b>	<b>0</b>	<b>37,527</b>	<b>0</b>	<b>0.0%</b>

1 April 2021 to 25 June 2021

## POLICY BOARD : FINANCE, RESOURCES &amp; CUSTOMER SERVICES

Project Title	Current Year 2021/22							Full Programme - All years	
	Prior Years Expenditure to 31/03/2021*	Approved Budget 2021/22	Budget Adjustments 2021/22	Revised Budget 2021/22	Projected Outturn 2021/22	Budget Variance (Adverse) or Favourable		Total Approved Budget to 31 March 2026	Budget Variance (Adverse) or Favourable
	£000	£000	£000	£000	£000	£000	%	£000	%
<b>CORPORATE PROJECTS</b>									
ICT Infrastructure Maint & Renewal Programme	0	1,955	433	2,388	2,388	0	0%	3,988	0%
Strategic Asset Management Fund	0	2,500	(2,500)	0	0	0	0%	0	0%
Energy Efficiency Programme	0	147	0	147	147	0	0%	147	0%
Lifecycle Capital Maintenance (LCM) Fund	0	5,663	(567)	5,096	5,096	0	0%	9,852	0%
Digital Infrastructure Provision	1,936	300	(300)	0	0	0	0%	1,936	0%
Community Empowerment Fund	124	534	0	534	534	0	0%	951	0%
Greenspaces and Parks	396	442	(40)	402	402	0	0%	1,036	0%
Villages Improvement Fund	0	150	0	150	150	0	0%	150	0%
<b>TOTAL</b>	<b>2,456</b>	<b>11,691</b>	<b>(2,974)</b>	<b>8,717</b>	<b>8,717</b>	<b>0</b>	<b>0%</b>	<b>18,060</b>	<b>0%</b>

\*Rolling programmes have a prior 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 Significant Projected Variances

<I:\aa Service Accounting\Budget Monitoring\2020-2021\Board Reports from Services\Period 3\Finance and Resources\Capital FARCS Board Report Figures P3 2020-21.xlsx>