
To: Leadership Board

On: 24 February 2021

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

Heading: Revenue and Capital Budget Monitoring as at 13 November 2020

1. Summary of Financial Position

- 1.1. The table below outlines the projected Revenue and Capital outturn positions as at 31 March 2021 across all services reported to the Leadership Board. Further analysis on the expected variances for each service is provided in the Appendices to this report.
- 1.2. 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 %
Adult Services	72,259	70,288	0	70,661	1,971	2.7%
Chief Executives	21,304	21,674	1,680	23,354	(2,050)	(9.6%)
CHAPS (Paisley Legacy)	415	415	0	415	0	0.0%

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 %
Chief Executives	£25,070	£25,070	£0	£25,070	£0	0%
Leisure Services	£1,095	£1,095	£0	£1,095	£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 (£0.079m) (0.1% of total budget) for all services reporting to this Policy Board. Detailed division service 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. 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 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 COVID19 on both Renfrewshire Leisure and the HSCP:
 - RL remain heavily impacted by the national and local restrictions implemented by the Scottish Government in response to the COVID crisis. It is anticipated that over the remainder of 2020/21 RL will continue to experience operational restrictions with resulting reduced revenue generation. It is forecast that over the course of 2020/21 the Council could be required to provide RL with up to an additional £2.3m of financial support (reduced from the previous estimate of £4.3m predominantly due to income secured from the job retention scheme) and this is reflected within the reported figures. RL continues to try and mitigate this position.

- Within adult services managed by Renfrewshire HSCP, the service has been required to take unprecedented measures in response to the coronavirus pandemic, including substantial levels of support to external care providers in order to ensure their ongoing financial sustainability. As at period 8, the service estimates that costs of £9.8m will be incurred specifically in relation to COVID-19 by the end of the financial year, with approximately £6.2m of this cost being related to financial sustainability payments to private adult and elderly care providers. The Scottish Government has provided confirmation that all reasonable additional costs associated specifically with the crisis will be fully funded and funding is flowing to HSCP's on this basis. In this context, additional costs specifically relating to the COVID response is not therefore included within this report on the clear expectation of these costs being funded directly by the Scottish Government. Outwith COVID19 specific costs, the service is forecasting a £1.971m underspend on core service provision primarily due to vacancies across a range of service areas. The outturn year end underspend will be incorporated into IJB reserves and this forecasted year end position will be taken into account in the financial planning arrangements for 2021/22 operating between the Council and the HSCP.

4. Revenue Budget Adjustments

- 4.1. Members are requested to note from Appendix 1 that budget adjustments totalling £0.007m have been processed since the last report.
- 4.2. A budget adjustment (nil net impact) has been processed within the Chief Executives Service to increase both expenditure and income by £500,000 to reflect the excess monies secured from the West of Scotland Loans Fund repurposed to support the programme of business support measures approved by the Emergencies Board of 17 July 2020.

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 3 indicates movement in the approved capital programme for the Chief Executive's Service for the year of £0.045m which is explained further below.
- 5.3. For Leisure Services the approved capital spend for 2020/21 is £1.095m.
- 5.4. The Capital Monitoring report at Appendix 3 indicates no change in the approved capital programme for Leisure Services, with the programme expected to continue in line with projected timescales at this stage.

5.5. Further detail, including reasons for significant variances, can be found at Appendix 3.

6. Capital Budget Adjustments

6.1. Since the last report, budget changes in totalling £0.045m have arisen which reflect the following:

Net Budget carried forward to 2021-22 from 2020-21 for updates to Cash Flows:

- City Deal Projects - (£0.045m)

Implications of this report

1. **Financial** – The projected budget outturn position for Leadership Board Revenue budget is an overspend of (£0.079m). 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 Leadership Board Capital budget 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

Revenue Budget and Council Tax 2020/21 Council 9th March 2020

Non-housing Capital Investment Programme, Prudential Framework and Treasury Management Strategy, and Capital Strategy 2020/21 to 2022/23
Council, 9th March 2020.

Author: Valerie Howie, Revenue
 Geoff Borland, Capital

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

POLICY BOARD : LEADERSHIP BOARD

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
Adult Services	72,259	0	72,259	70,288	0	70,288	1,971	2.7%	1,758	213
Chief Executive's Service	21,297	7	21,304	21,674	1,680	23,354	(2,050)	(9.6%)	(4,002)	1,952
CHAPS - Paisley Legacy	415	0	415	415	0	415	0	0.0%	0	0
NET EXPENDITURE	93,971	7	93,978	92,377	1,680	94,057	(79)	(0.1%)	(2,244)	2,165

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	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	40,861	1	40,862	39,967	(100)	39,867	995	2.4%	2,005	(1,010)
Premises Related	895	0	895	998	0	998	(103)	(11.5%)	(70)	(33)
Transport Related	802	40	842	642	0	642	200	23.8%	169	31
Supplies and Services	14,535	0	14,535	14,723	1,740	16,463	(1,928)	(13.3%)	(3,852)	1,924
Third Party Payments	62,285	6,489	68,774	61,034	0	61,034	7,740	11.3%	4,872	2,868
Transfer Payments	5,334	565	5,899	6,534	0	6,534	(635)	(10.8%)	(4,091)	3,456
Support Services	116	0	116	105	0	105	11	9.5%	12	(1)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	124,828	7,095	131,923	124,003	1,640	125,643	6,280	4.8%	(955)	7,235
Income	(30,857)	(7,088)	(37,945)	(31,626)	40	(31,586)	(6,359)	(16.8%)	(1,289)	(5,070)
NET EXPENDITURE	93,971	7	93,978	92,377	1,680	94,057	(79)	(0.1%)	(2,244)	2,165

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

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

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
Older People	46,111	0	46,111	44,402	0	44,402	1,709	3.7%	1,936	(227)
Physical or Sensory Difficulties	6,349	216	6,565	6,865	0	6,865	(300)	(4.6%)	(257)	(43)
Learning Difficulties	16,625	(601)	16,024	15,994	0	15,994	30	0.2%	(135)	165
Mental Health Needs	2,494	385	2,879	2,411	0	2,411	468	16.3%	152	316
Addiction Services	680	0	680	616	0	616	64	9.4%	62	2
NET EXPENDITURE	72,259	0	72,259	70,288	0	70,288	1,971	2.7%	1,758	213

Objective Heading	Key Reasons for Projected Variance
Older People	Underspends in employee costs reflecting vacancies due to recruitment issues. Under occupancy in external care homes due to COVID pandemic.
Physical or Sensory Difficulties	The overspend within PD is mainly due to pressures on the Adult placement budget reflecting the impact of increasing demand and SDS.
Learning Difficulties	
Mental Health Needs	Underspends in employee costs reflecting vacancies due to recruitment issues.

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

POLICY BOARD : LEADERSHIP BOARD - ADULT SERVICES

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	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	32,239	0	32,239	31,325		31,325	914	2.8%	1,915	(1,001)
Premises Related	353	0	353	397		397	(44)	(12.5%)	(15)	(29)
Transport Related	800	40	840	640		640	200	23.8%	169	31
Supplies and Services	1,735	0	1,735	1,702		1,702	33	1.9%	11	22
Third Party Payments	62,166	6,490	68,656	60,915		60,915	7,741	11.3%	4,872	2,869
Transfer Payments	2,419	0	2,419	2,437		2,437	(18)	(0.7%)	(3,593)	3,575
Support Services	70	0	70	58		58	12	17.1%	12	0
Depreciation and Impairment Losses	0	0	0	0		0	0	0.0%	0	0
GROSS EXPENDITURE	99,782	6,530	106,312	97,474	0	97,474	8,838	8.3%	3,371	5,467
Income	(27,523)	(6,530)	(34,053)	(27,186)		(27,186)	(6,867)	(20.2%)	(1,613)	(5,254)
NET EXPENDITURE	72,259	0	72,259	70,288	0	70,288	1,971	2.7%	1,758	213

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

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

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
Chief Executive and Management	366	0	366	365	15	380	(14)	(3.8%)	(13)	(1)
Policy and Commissioning	4,727	7	4,734	4,935	(40)	4,895	(161)	(3.4%)	(141)	(20)
Marketing and Communications	2,886	0	2,886	2,681	(620)	2,061	825	28.6%	835	(10)
City Deal	0	0	0	0	0	0	0	0.0%	0	0
Regeneration and Economic Development	2,278	0	2,278	2,652	25	2,677	(399)	(17.5%)	(385)	(14)
Leisure Services (incl Renfrewshire Leisure)	11,040	0	11,040	11,041	2,300	13,341	(2,301)	(20.8%)	(4,298)	1,997
NET EXPENDITURE	21,297	7	21,304	21,674	1,680	23,354	(2,050)	(9.6%)	(4,002)	1,952

Objective Heading	Key Reasons for Projected Variance
Policy and Commissioning	The adverse variance represents the net effect of a reduction in employee costs due to staff turnover and staff on parenting leave which will assist in funding an element of the costs incurred in responding to the COVID-19 pandemic, set against expenditure on strategic investment projects for Public Wifi, Tackling Poverty and the Community Empowerment Fund which will be funded by a further drawdown from earmarked reserves as required.
Marketing and Communications	The favourable variance has arisen as a result of the net reduction in costs from the cancellation of the Renfrewshire Council events programme for 2020, together with a reduction in employee costs due to staff turnover and staff on parenting leave.
Regeneration and Economic Development	The adverse variance reflects the costs of studies commissioned to assist in determining the impact on the Renfrewshire economy of COVID-19 together with the cost of irrecoverable grant due to staff redeployment and the expected drawdown from earmarked reserves to fund the projected revenue costs associated with the Cultural Infrastructure Programme.
Leisure Services (incl Renfrewshire Leisure)	The projected costs of supporting Renfrewshire Leisure with a revised level of requisition as a result of the net impact of income loss and increased costs incurred as a result of the closure of facilities during the lockdown period.

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

POLICY BOARD : LEADERSHIP BOARD - CHIEF EXECUTIVE'S SERVICE

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	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	8,458	1	8,459	8,525	(100)	8,425	34	0.4%	90	(56)
Premises Related	542	0	542	601	0	601	(59)	(10.9%)	(55)	(4)
Transport Related	2	0	2	2	0	2	0	0.0%	0	0
Supplies and Services	12,800	0	12,800	12,947	1,740	14,687	(1,887)	(14.7%)	(3,863)	1,976
Third Party Payments	119	(1)	118	119	0	119	(1)	(0.8%)	0	(1)
Transfer Payments	2,664	565	3,229	3,847	0	3,847	(618)	(19.1%)	(498)	(120)
Support Services	46	0	46	47	0	47	(1)	(2.2%)	0	(1)
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	24,631	565	25,196	26,088	1,640	27,728	(2,532)	(10.0%)	(4,326)	1,794
Income	(3,334)	(558)	(3,892)	(4,414)	40	(4,374)	482	12.4%	324	158
NET EXPENDITURE	21,297	7	21,304	21,674	1,680	23,354	(2,050)	(9.6%)	(4,002)	1,952

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

POLICY BOARD : LEADERSHIP BOARD - CHAPS PAISLEY LEGACY

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	£000	£000	£000	£000	£000	£000	%	£000	£000
Employees	164	0	164	117	0	117	47	28.7%	0	47
Premises Related	0	0	0	0	0	0	0	0.0%	0	0
Transport Related	0	0	0	0	0	0	0	0.0%	0	0
Supplies and Services	0	0	0	74	0	74	(74)	0.0%	0	(74)
Third Party Payments	0	0	0	0	0	0	0	0.0%	0	0
Transfer Payments	251	0	251	250	0	250	1	0.4%	0	1
Support Services	0	0	0	0	0	0	0	0.0%	0	0
Depreciation and Impairment Losses	0	0	0	0	0	0	0	0.0%	0	0
GROSS EXPENDITURE	415	0	415	441	0	441	(26)	(6.3%)	0	(26)
Income	0	0	0	(26)	0	(26)	26	0.0%	0	26
NET EXPENDITURE	415	0	415	415	0	415	0	0.0%	0	0

Subjective Heading	Key Reasons for Projected Variance
Employees	Projected underspend in employee costs is due to a vacant post within team
Supplies and Services	Projected overspend relates to use of consultants to support delivery of programme/projects
Income	Projected to be over-recovered in income reflecting contributions made to the Council's Paisley Legacy programme from funding partners

RENFREWSHIRE COUNCIL
CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES
1st April to 13th November 2020
POLICY BOARD: LEADERSHIP

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			
LEISURE SERVICES													
Leisure Investment Programme	52,266	334	0	334	334	0	0%	52,600	52,600	0	0%		
Grass Pitches & Changing Facilities	3,564	637	0	637	637	0	0%	4,201	4,201	0	0%		
Community Halls Refurbishment	19	124	0	124	124	0	0%	2,536	2,536	0	0%		
Lagoon Internal Play Centre	0	0	0	0	0	0	0%	500	500	0	0%		
Total Leisure Services	55,849	1,095	0	1,095	1,095	0	0%	59,837	59,837	0	0%		
CHIEF EXECUTIVES													
City Deal Projects													
Glasgow Airport Investment Area	21,931	15,340	732	16,072	16,072	0	0%	42,819	42,819	0	0%		
Clyde Waterfront & Renfrew Riverside	15,116	17,921	-16,477	1,444	1,444	0	0%	90,680	90,680	0	0%		
Airport Access	2,934	1,202	-1,142	60	60	0	0%	98,629	98,629	0	0%		
Economic Development													
GAIA Regeneration	0	2,000	0	2,000	2,000	0	0%	5,500	5,500	0	0%		
AMIDS: Public Realm Phase 1 Netheron Square	89	2,277	-2,125	152	152	0	0%	2,983	2,983	0	0%		
Paisley Venues & Town Centre Infrastructure													
Paisley Art Centre Redevelopment	233	400	-393	7	7	0	0%	2,800	2,800	0	0%		
Paisley Town Hall Redevelopment	1,613	3,366	-2,193	1,173	1,173	0	0%	22,650	22,650	0	0%		
Flexible Outdoor Facility/Travel & Accessibility Infrast	266	2,519	-2,415	104	104	0	0%	9,700	9,700	0	0%		
Playing Fields and Sports Development	392	1,404	-1,249	155	155	0	0%	7,500	7,500	0	0%		
Paisley Museum	5,979	5,616	-4,351	1,265	1,265	0	0%	42,500	42,500	0	0%		
Town Centre Capital Fund	329	1,333	-203	1,130	1,130	0	0%	3,709	3,709	0	0%		
Paisley Learning & Cultural Hub	1,593	2,802	-2,219	583	583	0	0%	7,000	7,000	0	0%		
Retail Improvement Fund	0	0	100	100	100	0	0%	100	100	0	0%		
Townscape Heritage CARS 2	911	2,285	-1,460	825	825	0	0%	4,099	4,099	0	0%		
Total Chief Executives	51,386	58,465	(33,395)	25,070	25,070	0	0%	340,669	340,669	0	0%		
TOTAL LEADERSHIP BOARD	107,235	59,560	(33,395)	26,165	26,165	0	0%	400,506	400,506	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
City Deal Projects/City Deal Related Projects	Damage to the bridge to be installed across the White Cart will likely lead to further changes to the cash flow profiles as the revised timescales are devised in response to this after investigation.