

Report To: Environment & Regeneration Committee **Date:** 5 March 2020

Report By: Chief Financial Officer and Corporate Director Environment, Regeneration and Resources **Report No:** FIN/23/20/AP/MMcC

Contact Officer: Mary McCabe **Contact No:** 01475 712222

Subject: Environment and Regeneration 2019/20 Revenue Budget – Period 9 (31 December 2019)

1.0 PURPOSE

1.1 To advise the Committee of the 2019/20 Revenue Budget position at period 9 to 31 December 2019.

2.0 SUMMARY

2.1 The revised 2019/20 budget for Environment and Regeneration is £23,779,000 which excludes Earmarked Reserves.

2.2 The latest projection, excluding Earmarked Reserves, is an underspend of £191,000, a reduction in spend of £85,000 since the Period 7 Committee.

2.3 The main material variances projected at Period 9 are:

- i. Turnover savings across the Committee (not offset by other expenditure or reduced income) of £240,000.
- ii. An underspend in Economic Development Workforce Development of £73,000 resulting from staff vacancies meaning that expenditure on this area has been curtailed, as previously reported.
- iii. An under recovery in Planning income of £140,000, £69,000 of which is covered by the Planning Income Smoothing Earmarked Reserve; the net under recovery being £71,000. This is mainly due to reduced demand.
- iv. A projected underspend of £79,000 within the recycling contract, mainly due to reduced tonnages.
- v. An overspend on non-routine vehicle maintenance across Roads and Environmental and Public Protection totalling £87,000.

2.4 The European Commission (EC) has suspended European Social Fund (ESF) payments following an audit into the submission of claims. The Scottish Government has been working with the EC in order to resolve matters and have the suspension lifted, however at this point in time this remains unresolved. While it is not clear at this stage when the suspension will be lifted or, in the event that it is not lifted, whether any outstanding claims will be honoured by the Scottish Government, officers continue to project that all relevant grant claims will be paid in full. There does however remain a risk that grant claims will not be paid, resulting in a shortfall in income. The situation will continue to be monitored closely and reported in future monitoring reports.

2.5 Operational Earmarked Reserves for 2019/20 total £4,659,000 of which £1,192,000 is projected to be spent in the current financial year. As detailed in Appendix 4 expenditure of £537,000 (45% of projected spend or 56% of phased budget) has been incurred to Period 9.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the current projected underspend for 2019/20 of £191,000 as at 31 December 2019.
- 3.2 It is recommended that the Committee notes the current position with regard to ESF funding and that updates will be brought to future meetings of this Committee.
- 3.3 The Committee is asked to approve virement as detailed in Section 7 and Appendix 5.

Alan Puckrin
Chief Financial Officer

Scott Allan
Corporate Director
Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 The purpose of this report is to advise the Committee of the current position of the 2019/20 budget and to highlight the main issues contributing to the projected underspend.
- 4.2 The revised 2019/20 budget for Environment and Regeneration, excluding earmarked reserves, is £23,779,000. This is an increase of £229,000 from the approved budget, prior to transfers to earmarked reserves.

5.0 2019/20 CURRENT POSITION

- 5.1 The current projection for 2019/20 is an underspend of £191,000 (0.79%).

5.2 Regeneration & Planning - £188,000 underspend

The current projected out-turn for Regeneration & Planning is an underspend of £188,000, an increase in spend of £27,000 since the last Committee.

The main issues relating to the current projected underspend for Regeneration & Planning are detailed below and in Appendix 3:

(a) Employee Costs

There is a projected underspend of £243,000 in employee costs, a reduction in spend of £30,000 due to:

- i. Turnover savings within Economic Development of £96,000 resulting from delays in filling vacant posts, a reduction in spend of £2,000 from the last Committee. This includes budget for a Regeneration & Planning Policy Manager post, which remains vacant.
- ii. Turnover savings within Building Services of £32,000, £2,000 more spend than at Period 7.
- iii. Turnover savings within Planning of £95,000, £30,000 less spend than was projected at the last Committee due to further delays in filling vacant posts. This is partially offset by additional expenditure, per 5.2(c)(iii) below.
- iv. Other turnover savings across the service amounting to £20,000.

(b) Supplies & Services

Within supplies and services there is a projected overspend of £240,000 within Building Services direct purchases and sub-contractors. This is £120,000 more spend than was previously reported, is due to the current workload and is offset by additional income.

(c) Payments to Other Bodies

There is a projected overspend of £269,000 in payments to other bodies, an increase in projected spend of £190,000 from last Committee, mainly due to:

- i. Expenditure on grant funded projects: Smarter Choices and Innovation & Integration of £73,000 and £30,000 respectively. This expenditure is offset by grant income, per 5.2 (d)(i) below.
- ii. Expenditure relating to the European Social Fund (ESF) Programme of £173,000 which is offset by additional income. The position with regard to ESF funding is explained further at 2.4
- iii. £35,000 paid to Argyll and Bute Council for the processing of building warrants, necessary due to vacant Planning posts, as previously reported.

- iv. An underspend in training within Economic Development Workforce Development of £73,000, as previously reported, due to expenditure in this area being curtailed.

(d) Income

There is a projected over recovery in income of £466,000, an increase in income of £253,000 since the last Committee, mainly due to:

- i. Grant income for Smarter Choices and Innovation and Integration of £103,000, as outlined at 5.2(c)(i) above.
- ii. Grant income offsetting expenditure on ESF projects, per 5.2(c)(ii) above, of £173,000.
- iii. An over recovery of Building Services income of £240,000, offset by increased supplies and services costs, per 5.2(b) above; £120,000 more income than was previously reported.
- iv. An under recovery in Planning fee income of £140,000, £40,000 less income than was previously reported, mainly due to reduced demand. Of this under recovery £69,000 is covered by the Planning Income Smoothing Earmarked Reserve, leaving a net under recovery of £71,000.

5.3 Property Services - £102,000 overspend

The current projected out-turn for Property Services is an overspend of £102,000, a reduction in spend of £13,000 since the last Committee.

The main issues contributing to the current projected overspend for Property Services are detailed below and in Appendix 3:

(a) Employee Costs

There is a projected underspend of £53,000, £6,000 less spend than the last report. This is mainly due to:

- i. Projected turnover savings in Technical Services of £58,000, partially offset by additional agency costs and an over recovery in income.
- ii. Turnover savings in Office Accommodation of £21,000, due to the delay in filling a vacant council officer post.

(b) Property Costs

There is a projected overspend in property costs of £63,000, a reduction in spend of £5,000. This is mainly within Surplus Property (£38,000) due to NDR costs for a number of surplus properties which are at various stages in the disposal process.

(c) Administration Costs

There is a projected overspend of £200,000 within Technical Services agency staff costs which is partly offset by additional capital recharge income and turnover savings, as previously reported.

(d) Income

There is a projected over recovery in income of £113,000, an increase in income of £2,000 from the last Committee. This is mainly due to a projected over recovery in Technical Services property fee income of £125,000. This income is offset by increased agency staff costs and turnover savings.

5.4 **Environmental & Public Protection - £157,000 underspend**

The current projected out-turn for Environmental & Public Protection is an underspend of £157,000, a reduction in spend of £121,000 since the last report.

The main issues contributing to the current projected underspend for Environmental & Public Protection are detailed below and in Appendix 3:

(a) **Employee Costs**

There is a projected underspend of £179,000 in employee costs, £105,000 less spend than was previously projected, mainly due to:

- i. Turnover savings and reduced overtime in Refuse Collection of £61,000, a reduction in spend of £6,000 since the last Committee. This is offset by an overspend on agency costs.
- ii. Turnover savings within Vehicle Maintenance Mechanics and Drivers of £80,000, a reduction in spend of £32,000 from last report. This is partially offset by an under recovery in Drivers recharge income.
- iii. Within Management, there is a projected overspend of £60,000 mainly due to the turnover savings target not being achieved and increased overtime. This is an increase in spend of £5,000 from the last report.
- iv. Turnover savings within Community Wardens of £42,000, as previously reported, due to delays in filling vacant posts.
- v. Turnover savings within Safer Communities and Trading Standards of £56,000, £51,000 of which has not previously been reported due to newly vacated posts and delays in filling vacancies.

(b) **Supplies & Services**

There is a projected overspend of £164,000 within supplies and services, an increase in spend of £17,000 from the Period 7 Committee, mainly due to:

- i. A projected overspend of £119,000 within Vehicle Maintenance materials and subcontractors, £30,000 more spend than at Period 7. This is offset by an over recovery of non-routine maintenance income.
- ii. Various minor variances, the net projection being an overspend of £45,000.

(c) **Transportation & Plant**

There is a projected overspend in transportation and plant of £81,000, £59,000 more spend than at the last Committee, mainly due to the following:

- i. A net overspend across the Client services on non-routine maintenance of £55,000.
- ii. An overspend within Vehicle Maintenance tyres of £22,000 which is offset by additional recharge income.

(d) **Administration Costs**

There is a projected overspend of £59,000 in administration costs, a reduction in spend of £7,000 from Period 7. This is mainly due to a projected overspend on agency costs within Refuse Collection of £60,000. This overspend is offset by an underspend in employee costs.

(e) **Payments to Other Bodies**

Payments to other bodies is projected to overspend by £789,000, an increase in spend of £201,000 since the last report, due mainly to the following:

- i. Expenditure of £889,000 relating to the Home Energy Efficiency Programmes for Scotland (HEEPS) and Scotland's Energy Efficiency Programme (SEEP) grants, offset by income. This is an increase in projected spend of £154,000 since the last Committee.
- ii. A projected underspend in the residual waste contract of £25,000. This is the position after virement to offset an under recovery in Trade Waste income, as requested at 3.3 and explained further in Section 7 and Appendix 5.
- iii. A projected underspend on the recycling contract of £79,000, £8,000 less spend than was previously reported, an element of which is in line with the previous years' outturn.

(f) Income

There is a projected over recovery in income of £1,080,000, £303,000 more income than the last report, mainly due to:

- i. HEEPS and SEEP grant income of £889,000, offset by additional expenditure, see 6.4(e)(i) above.
- ii. An over recovery in Vehicle Maintenance non-routine maintenance income of £119,000, in line with increased materials and sub-contractor costs.
- iii. An under recovery in Cremations income of £35,000, offset by a projected over recovery in Burial Grounds income of £31,000. This is £12,000 less income than was previously projected.
- iv. An under recovery in Drivers' recharges income of £27,000, in line with reduced employee costs.
- v. An over recovery in Vehicle Maintenance tyres recharge income of £34,000, partially offset by additional costs, per 5.4(c)(ii) above.
- vi. Various minor variances across the Service, the net projection being an over recovery of £69,000.

5.5 Roads - £52,000 overspend

The current projected out-turn for Roads is an overspend of £52,000, an increase in spend of £22,000 since the last Committee.

The main issues contributing to the current projected overspend for Roads are detailed below and in Appendix 3:

(a) Employee Costs

Employee costs are projected to overspend by £45,000, an increase in spend of £21,000 mainly due to an overspend in Roads Client of £58,000, £5,000 more spend than at the last Committee. This is due to employee cost expenditure which is partly funded by additional fee income and the turnover savings target not being achieved.

(b) Supplies & Services

There is a projected overspend of £265,000 within supplies & services, £95,000 more spend than the last report, mainly due to:

- i. Roads Client rechargeable works of £77,000, offset by additional income. This is an increase of £18,000 since Period 7.
- ii. An underspend in Roads Client Lighting electrical power of £20,000. At Period 7, the Committee was advised that the underspend in electrical power (£65,000 at that time) would be used to sort underlying overspends in the Committee. Virement requested at 3.3, Section 7 and Appendix 5 reallocates this underspend. The remaining £20,000 underspend will be removed as a saving during the current budget process.
- iii. An overspend on Roads Operations' subcontractors and materials of £194,000, in

line with the current work programme. This is an increase of £31,000 since Period 7. The net overall position is explained further at 5.5(e)(iv).

(c) Transportation & Plant

There is a projected overspend of £58,000, £4,000 more spend than at the last Committee, mainly due to an overspend in non-routine maintenance of £32,000.

(d) Administration Costs

There is a projected overspend of £34,000 due mainly to spend on agency workers of £23,000, which is partially offset by turnover savings.

(e) Income

There is a projected over recovery in income of £345,000, an increase in income of £108,000 since Period 7, mainly due to:

- i. Income for rechargeable works, as outlined at 5.5(b)(i) above of £77,000.
- ii. Capital fee income which offsets additional employee costs of £30,000, as previously reported.
- iii. An over recovery of Roads Client sales, fees and charges of £24,000, not previously reported.
- iv. An over recovery of Roads Operations income of £209,000, £80,000 more income than was previously reported due to acceleration of capital projects. This additional income is partially offset by increased supplies and services costs. The net position for Roads Operations is an under recovery of £46,000, a favourable movement of £22,000 from the last Committee. This position takes account of the current workload and is in part due to high levels of short term sickness. A review is underway into the Roads Operations recharge rate and any impact on the projected outturn will be included in future monitoring reports.

5.6 Corporate Director - £nil Variance

The Corporate Director budget is currently projecting to out-turn on budget.

6.0 EARMARKED RESERVES

- 6.1 Appendix 4 gives an update on the operational Earmarked Reserves, ie excluding strategic funding models such as RI funding, AMP and Vehicle Replacement Programme. Spend to date on these operational Earmarked Reserves is 56% of phased budget (45% of projected spend).

7.0 VIREMENTS

- 7.1 The Committee is asked to approve virement as outlined in Appendix 5, as follows:

- i. Virement reducing the Refuse Collection trade waste income target and reducing the Refuse Transfer Station residual waste contract expenditure budget. This virement is required due to a reduction in the trade waste customer base and a resulting reduction in residual waste disposal costs.
- ii. Virement removing an underspend in Waste Strategy other expenditure; which is recurring and is due to less costs associated with the MRF; and allocating budget to: Waste Strategy administration costs to cover costs associated with the green waste charging scheme and to Refuse Transfer Station to cover increased costs of waste management licences.

- iii. Virement reducing the Roads Client electrical power budget which is underspent due to investment in street lighting and allocating budget to: Roads Client lighting maintenance, Roads security costs relating to the new depot and Roads Operations clothing and uniforms, which is historically overspent.

7.2 These reallocations of budget are all permanent in nature and are reflected in the figures presented in this report.

8.0 IMPLICATIONS

Finance

8.1 All finance implications are discussed in detail within the report above.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

Legal

8.2 There are no specific legal implications arising from this report.

Human Resources

8.3 There are no specific human resources implications arising from this report.

Equalities

8.4 Equalities

(a) Has an Equality Impact Assessment been carried out?

	YES
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

Repopulation

8.5 There are no repopulation issues within this report.

9.0 CONSULTATIONS

9.1 The report has been jointly prepared by the Corporate Director Environment, Regeneration & Resources and the Chief Financial Officer.

10.0 CONCLUSIONS

10.1 The Committee is currently reporting an underspend of £191,000.

11.0 LIST OF BACKGROUND PAPERS

11.1 There are no background papers relating to this report.

Environment & Regeneration Budget Movement - 2018/19**PERIOD 9: 1st April 2019 - 31st December 2019**

Service	Approved Budget		Movements			Revised Budget
	2019/20 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2019/20 £000
Regeneration & Planning	3,849	2	26	52	(345)	3,584
Property Services	3,307	11	55			3,373
Environmental & Public Protection	12,918	55	(46)			12,927
Roads	3,665	28	46			3,739
Corporate Director	156					156
Totals	23,895	96	81	52	(345)	23,779

Movement Details

£000

External ResourcesInflation

NDR Inflation	15
Residual Waste Contract Inflation	41
Green Waste Contract Inflation	11
Roads Lighting Electrical Power Inflation	25
Gas Inflation	4
	<u>96</u>

Virements

Virement from Environment & Public Protection to Roads in relation to employee transfers	(46)
Virement to Roads from Environment & Public Protection in relation to employee transfers	46
Virement to Education & Communities Committee - FIT/RHI Income	55
Virement from Education & Communities Committee - MCMC team	26
	<u>81</u>

Supplementary Budgets

Additional budget for management regrading approved as part of Senior Management restructure	4
PESF funding from Scottish Government	48
	<u>52</u>
	<u>229</u>

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****PERIOD 9: 1st April 2019 - 31st December 2019**

Subjective Heading	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend	Percentage Variance %
Employee Costs	15,784	15,999	15,569	(430)	(2.69)%
Property Costs	5,385	5,424	5,507	83	1.53%
Supplies & Services	4,633	4,206	4,878	672	15.98%
Transport Costs	2,230	2,298	2,439	141	6.14%
Administration Costs	556	591	884	293	49.56%
Payments to Other Bodies	9,561	9,238	10,295	1,057	11.44%
Other Expenditure	378	365	362	(3)	(0.82)%
Income	(14,632)	(13,997)	(16,001)	(2,004)	14.32%
TOTAL NET EXPENDITURE	23,895	24,124	23,933	(191)	(0.79)%
Transfer to Earmarked Reserves *	0	(345)	(345)	0	
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	23,895	23,779	23,588	(191)	(0.80)%

Objective Heading	Approved Budget 2019/20 £000	Revised Budget 2019/20 £000	Projected Out-turn 2019/20 £000	Projected Over/(Under) Spend	Percentage Variance %
Regeneration & Planning	3,849	3,929	3,741	(188)	(4.78)%
Property Services	3,307	3,373	3,475	102	3.02%
Environmental & Public Protection	12,918	12,927	12,770	(157)	(1.21)%
Roads	3,665	3,739	3,791	52	1.39%
Corporate Director	156	156	156	0	0.00%
TOTAL NET EXPENDITURE	23,895	24,124	23,933	(191)	(0.79)%
Transfer to Earmarked Reserves *	0	(345)	(345)	0	
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	23,895	23,779	23,588	(191)	(0.80)%

* Per Appendix 3: New funding transferred to earmarked reserves during 2019/20

Earmarked Reserves	Approved Reserves 2019/20 £000	Revised Reserves 2019/20 £000	2019/20 Budget £000	Projected Spend 2019/20 £000	Projected Carry Forward £000
Earmarked Reserves	5,794	10,208	5,283	4,596	5,612
CFCR	0	665	173	173	492
TOTAL	5,794	10,873	5,456	4,769	6,104

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2019 - 31st December 2019**

<u>Out Turn</u> <u>2018/19</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2019/20</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Dec-19</u> <u>£000</u>	<u>Projection</u> <u>2019/20</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	REGENERATION & PLANNING							
487	Economic Development - Admin	Employee Costs	517	361	226	421	(96)	(18.57)%
881	Building Services	Employee Costs	935	653	632	903	(32)	(3.42)%
827	Planning	Employee Costs	903	631	538	808	(95)	(10.52)%
							(223)	
351	Building Services - Direct Purchases	Supplies and Services	164	123	298	344	180	109.76%
381	Building Services - Sub-Contractors	Supplies and Services	220	165	243	280	60	27.27%
							240	
76	Regeneration Fund - Innovation Grant Expenditure	PTOB	0	0	6	30	30	
30	Economic Development - Training	PTOB	73	55	0	0	(73)	(100.00)%
42	ESF Employability Pipeline grant expenditure	PTOB	0	0	0	173	173	
0	Planning - Building Control	PTOB	0	0	30	35	35	
87	Planning - Smarter Choices Grant Expenditure	PTOB	0	0	15	73	73	
							238	
(76)	Regeneration Fund - Innovation Grant Income	Income	0	0	(30)	(30)	(30)	
(87)	Planning - Smarter Choices Grant Income	Income	0	0	0	(73)	(73)	
(41)	ESF Employability Pipeline grant income	Income	0	0	0	(173)	(173)	
(891)	Building Services - Tendered Work	Income	(603)	(452)	(371)	(893)	(290)	48.09%
(48)	Building Services - Recharge Internal Clients	Income	(145)	(109)	(9)	(95)	50	(34.48)%
(875)	Planning - Sales, Fees & Charges	Income	(605)	(454)	(415)	(534)	71	(11.74)%
							(445)	
	PROPERTY SERVICES							
843	Technical Services - Employee Costs	Employee Costs	863	601	564	805	(58)	(6.72)%
121	Office Accommodation - Employee Costs	Employee Costs	150	105	92	129	(21)	(14.00)%
							(79)	
86	Surplus Property - Property Costs	Property Costs	68	51	111	106	38	55.88%
							38	
265	Technical Services - Agency Staff	Administration	0	0	144	200	200	
							200	
(1,025)	Technical Services - Recharges to Capital	Income	(758)	(569)	(673)	(883)	(125)	16.49%
							(125)	

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2019 - 31st December 2019**

<u>Out Turn</u> <u>2018/19</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2019/20</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Dec-19</u> <u>£000</u>	<u>Projection</u> <u>2019/20</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	ENVIRONMENTAL & PUBLIC PROTECTION							
843	Public Protection - Community Wardens	Employee Costs	773	538	513	731	(42)	(5.43)%
0	Public Protection - Safer Communities	Employee Costs	670	467	460	640	(30)	(4.48)%
177	Public Protection - Trading Standards	Employee Costs	131	91	67	105	(26)	(19.85)%
843	Vehicle Maintenance - Front Line Staff	Employee Costs	897	646	604	817	(80)	(8.92)%
1,481	Refuse Collection - Front Line Staff	Employee Costs	1,523	1,111	1,089	1,462	(61)	(4.01)%
2,406	Environmental Management	Employee Costs	1385	1039	1018	1,445	60	4.33%
							(179)	
219	Vehicle Maintenance - Materials	Supplies and Services	185	137	178	247	62	33.51%
92	Vehicle Maintenance - Sub Contractors	Supplies and Services	96	72	113	153	57	59.38%
							119	
183	Service-Wide - Non-Routine Vehicle Maintenance	Transport & Plant	210	158	179	265	55	26.19%
107	Vehicle Maintenance - Materials / Spares (Tyres)	Transport & Plant	78	52	60	100	22	28.21%
							77	
93	Refuse Collection - Agency Staff	Administration	20	15	73	80	60	300.00%
							60	
1,204	HEEPS - Payments to Other Bodies	PTOB	0	0	864	864	864	
37	SEEPS - Payments to Other Bodies	PTOB	0	0	25	25	25	
2,812	Refuse Transfer Station - Residual Waste Contract	PTOB	2,635	1,976	1,634	2,610	(25)	(0.95)%
270	Waste Strategy - Dry Mixed Recycling	PTOB	344	261	178	265	(79)	(22.97)%
							785	
1,248	HEEPS - Government Grants	Income	0	0	(864)	(864)	(864)	
(37)	SEEPS - Government Grants	Income	0	0	(25)	(25)	(25)	
(650)	Crematorium - Cremations Income	Income	(697)	(467)	(419)	(662)	35	(5.02)%
(375)	Buitial Grounds- Income	Income	(407)	(268)	(264)	(438)	(31)	7.62%
(222)	Vehicle Maintenance - Non Routine Material Income	Income	(273)	(203)	(177)	(392)	(119)	43.59%
(446)	Vehicle Maintenance - Recharge - Drivers	Income	(496)	(371)	(335)	(469)	27	(5.44)%
(34)	Vehicle Maintenance - Tyres Income	Income	0	0	(22)	(34)	(34)	
							(1,011)	

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2019 - 31st December 2019**

<u>Out Turn</u> <u>2018/19</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2019/20</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Dec-19</u> <u>£000</u>	<u>Projection</u> <u>2019/20</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
29	ROADS Roads Client	Employee Costs	1,269	823	962	1,327	58	4.57%
							58	
293	Roads Client - Rechargeable payments to contractor	Supplies and Services	0	0	77	77	77	
358	Roads Client - Lighting - Electrical Power	Supplies and Services	319	274	161	299	(20)	(6.27)%
265	Roads Operations Unit - Subcontractors	Supplies and Services	227	147	161	256	29	12.78%
1,090	Roads Operations Unit - Materials	Supplies and Services	1,034	630	914	1,199	165	15.96%
							251	
52	Roads - Non Routine Vehicle Maintenance	Transport & Plant	25	19	35	57	32	128.00%
							32	
24	Roads Operations Unit - Agency Costs	Administration Costs	0	0	9	23	23	
							23	
(133)	Roads Client - Income from Capital	Income	(324)	(243)	(324)	(354)	(30)	9.26%
(233)	Roads Client - Sales, Fees and Charges	Income	(178)	(140)	(63)	(202)	(24)	13.48%
(807)	Roads Operations Unit - DLO Recharges at Dayworks	Income	(654)	(391)	(535)	(872)	(218)	33.33%
(1,903)	Roads Operations Unit - DLO Recharges at Schedule of Rates	Income	(2,256)	(1,345)	(1,411)	(2,102)	154	(6.83)%
(197)	Roads Operations Unit - Non Client Involvement	Income	(26)	(16)	(84)	(171)	(145)	557.69%
(286)	Roads Client - Rechargeable Works	Income	0	0	(10)	(77)	(77)	
							(340)	
Total Material Variances							(281)	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

<u>Project</u>	<u>Total Funding</u>	<u>Phased Budget To Period 09</u>	<u>Actual To Period 09</u>	<u>Projected Spend</u>	<u>Amount to be Earmarked for 2020/21 & Beyond</u>	<u>Lead Officer Update</u>
	<u>2019/20 £000</u>	<u>2019/20 £000</u>	<u>2019/20 £000</u>	<u>2019/20 £000</u>	<u>£000</u>	
Renewal of Clune Park Area	2,285	140	28	140	2,145	Current projection is £140k, mainly survey costs and employee costs. Depending on the outcome of notices which have been served or will be served by the end of the year there may be further legal costs and ultimately demolition costs, albeit the latter are unlikely before the end of the financial year.
Youth Employment	633	291	67	300	333	Direct employee costs for Modern Apprentices as well as training fees and grants to local employers. Graduates now in post. Delay in start date for new MA's, now February 2020.
Repopulating/Promoting Inverclyde/ Group Action Plan	595	120	37	180	415	New Action Plan approved by Committee May 2019. Agreed areas of spend: Marketing and Communication, promoting Discover Inverclyde and encouraging tourism £160k Growing the housing market £100k Growing local jobs and enabling infrastructure £120k Encouraging opportunities for all people £60k Increasing opportunities for employment in culture and leisure sector £40k Balance of £20k to be used to develop detailed funding review of future funding sources.
Employability Initiatives	154	24	0	0	154	Contracts to local organisations and individuals for general employability.
Town and Village Centre Environmental Improvements	143	108	86	143	0	To deliver a range of environmental improvements in towns and villages across Inverclyde in consultation with local communities. Review of outturn being undertaken following RI transition.
Demolish Redundant Buildings	150	0	0	0	150	Provision of grant support to private owners to allow demolition of redundant buildings at Port Glasgow Industrial Estate. Report was agreed at August Committee to amend policy, increasing the grant intervention rate to 50% and a maximum of £75k.
Roads Defects & Drainage	200	100	150	200	0	Additional funding with accelerated spend being used to carry out repairs to carriageways, footways, drainage and others as required after winter weather conditions.

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

<u>Project</u>	<u>Total Funding</u>	<u>Phased Budget To Period 09</u>	<u>Actual To Period 09</u>	<u>Projected Spend</u>	<u>Amount to be Earmarked for 2020/21 & Beyond</u>	<u>Lead Officer Update</u>
	<u>2019/20 £000</u>	<u>2019/20 £000</u>	<u>2019/20 £000</u>	<u>2019/20 £000</u>	<u>£000</u>	
Allocation for a Safer Streets Initiative	150	0	0	0	150	Recommendations will be identified and presented to Committee in March. Additional funding will be used to deliver projects through identifying walking/cycling routes linking key generators such as school, town centres and clinics. Policy being developed by officers and will be discussed with members. Projects will be delivered in 20/21.
Seed Funding for active travel within Inverclyde	50	0	0	50	0	Report approved by October committee to progress 3 projects. Full spend anticipated in 19/20
Establish a conservation area and listed building grant	80	0	0	0	80	Policy in development, update report was presented to January's Committee. No spend 19/20.
Repaint and carry out essential repairs to the Comet	50	0	0	10	40	Allocation is to carry out survey to assess the extent and cost of work required. Condition survey has been concluded and report awaited.
Strategic Investment	169	169	169	169	0	Spent in full 19/20.
Total Category C to E	4,659	952	537	1,192	3,467	

ENVIRONMENT AND REGENERATION COMMITTEE**VIREMENT REQUESTS****PERIOD 9: 1st April 2019 - 31st December 2019**

Budget Heading		Increase Budget	(Decrease) Budget
		£	£
Refuse Transfer Station - Residual Waste Contract	1		(82,000)
Refuse Collection - Trade Waste Income	1	82,000	
Waste Strategy Other Expenditure	2		(21,000)
Waste Strategy Green Waste Administration Costs	2	13,000	
Refuse Transfer Station Waste Management Licences	2	8,000	
Roads Client Electrical Power	3		(55,000)
Roads Client Lighting Maintenance	3	20,000	
Roads Security & Internal CCTV	3	30,000	
Roads Operations Clothing and Uniforms	3	5,000	
Total		158,000	(158,000)

Note

Committee are asked to approve the following virements, which are permanent in nature:

1. Virement reducing the Refuse Collection trade waste income target and reducing the Refuse Transfer Station residual waste contract expenditure budget. This virement is required due to a reduction in the trade waste customer base and a resulting reduction in residual waste disposal costs.
2. Virement removing an underspend in Waste Strategy other expenditure; which is recurring and is due to less costs associated with the MRF; and allocating budget to: Waste Strategy administration costs to cover costs associated with the green waste charging scheme and to Refuse Transfer Station to cover increased costs of waste management licences.
3. Virement reducing the Roads Client electrical power budget which is underspent due to investment in street lighting and allocating budget to: Roads Client lighting maintenance, Roads security costs relating to the new depot and Roads Ops clothing and uniforms, which is historically overspent.