

3.0 BACKGROUND AND CONTEXT

3.1 The revised 2022/23 budget for Environment and Regeneration, excluding earmarked reserves, is £23,274,450. This is an increase of £2,116,000 from the approved budget, prior to transfers to earmarked reserves. Appendix 1 gives details of this budget movement.

3.2 2022/23 PROJECTED OUT-TURN (£197,00 Underspend – 0.85%)

The reason for the movement of £89,000 from Period 9 is due to an increase in turnover, offset by an increase in central repairs and residual waste disposal charges. The main variances contributing to the projected net underspend are listed below.

- a) £177,000 shortfall in Planning Income. This is a combination of historical trends and current staffing shortages. £110,000 was allocated as part of the 2022/23 Budget to reduce the income target but the shortfall in income remains in line with 2021/22. A budget pressure of £125,000 has been approved from 2023/24.
- b) £81,000 shortfall in Burials and Cremation Income. This is after the allocation of £50,000 to reduce the income target as part of the 2022/23 Budget. A further budget pressure of £125,000 has been approved from 2023/24.
- c) £59,000 shortfall in Trade Waste Income which is in line with previous years. Trade Waste was reviewed as part of the Delivering Differently Programme with a report from officers included at the last meeting.
- d) A projected underspend in the Workforce Development Fund of £58,000 due to the availability of external grants. The full budget has been taken as a saving from 2023/24.
- e) A projected underspend in Tourism grants of £33,000 due to decrease in the number of applications. A saving of £24,000 has been approved from 2023/24.
- f) £84,000 shortfall in Parking income and £30,000 shortfall PCN income due to less activity following reintroduction of charging.
- g) Projected over recoveries in waste across scrap metal and tipping charges £146,000.
- h) Projected overspend in Refuse Collection agency costs £135,000 partly offset by a reduction overtime and turnover from vacant posts.
- i) Projected overspend in residual waste disposal of £145,000 charges due to an increase in tonnages.
- j) Projected overspend in central repairs of £250,000 due to an increase in works carried out.
- k) A projected over recovery of £867,000 against the turnover target due to delays in recruiting certain posts.

The above figures exclude the significant increase in utility costs which are being managed and reported in 2022/23 via the Policy & Resources Committee.

3.3 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, ie excluding strategic funding models. Spend to 28 February 2023 on these operational Earmarked Reserves is £2,285,000 (72.6% of projected spend). A comprehensive review of all earmarked reserves was undertaken as part of the 2023/25 Budget, with a number of write backs approved in December 2022.

4.0 PROPOSALS

4.1 The above figures for 2022/23 include the additional cost in 2022/23 of £639,000 vired from the inflation contingency in relation to the increase in the Council's waste contract.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO	N/A
Financial		X	
Legal/Risk		X	
Human Resources		X	
Strategic (LOIP/Corporate Plan)		X	
Equalities & Fairer Scotland Duty			X
Children & Young People's Rights & Wellbeing			X
Environmental & Sustainability			X
Data Protection			X

5.2 Finance

One off Costs

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

Annually Recurring Costs/ (Savings)

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

5.3 Legal/Risk

There are no legal implications arising from this report.

5.4 Human Resources

There are no HR implications arising from this report.

5.5 Strategic

There are no Strategic implications arising from this report.

6.0 CONSULTATION

6.1 The figures in this report are based on the discussions with budget holders.

7.0 BACKGROUND PAPERS

7.1 None.

Environment & Regeneration Budget Movement - 2022/23**PERIOD 11: 1st April 2022 - 28th February 2023**

Service	Approved Budget		Movements			Revised Budget
	2022/23 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2022/23 £000
Regeneration, Planning & Public Protection	6,602	244	1		(265)	6,582
Property Services	2,124	199	(34)	75		2,364
Roads & Environmental	12,543	1,624	3			14,170
Corporate Director	154	4	0			158
Totals	21,424	2,071	(30)	75	(265)	23,275

Movement Details

£000

External Resources

0

Inflation

Roads Client - external power	49,140
Roads	50,000
Property	50,000
Vehicle Maintenance - Fuel expenditure	200,000
Vehicle Maintenance - Fuel income	(200,000)
Fuel	181,430
Waste contract increase	639,000
Pay inflation	1,102,830

2,072,400

Virements

AMP	(46,000)
CCTV Contract from AMP	6,000
Insurance	24,250
Rankin Park to Communities	(15,740)

(31,490)

Supplementary Budgets

LHEES redetermination	75,000
	75,000

2,115,910

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTSUBJECTIVE ANALYSIS

PERIOD 11: 1st April 2022 - 28th February 2023

Subjective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out- turn 2022/23 £000	Projected Over/(Under) Spend	Percentage Variance %
Employee Costs	16,945	17,941	17,066	(875)	-4.88%
Property Costs	3,801	3,899	4,196	297	7.62%
Supplies & Services	4,133	4,294	5,344	1,050	24.45%
Transport & Plant Costs	2,391	2,844	2,832	(12)	-0.42%
Administration Costs	485	469	771	302	64.45%
Payments to Other Bodies	6,608	7,338	7,374	36	0.49%
Other Expenditure	1,909	1,954	1,934	(20)	-1.02%
Income	(14,847)	(15,199)	(16,175)	(976)	6.42%
TOTAL NET EXPENDITURE	21,424	23,539	23,342	(197)	-0.84%
Transfer to Earmarked Reserves *	0	(265)	(265)	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,424	23,274	23,077	(197)	-0.85%

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTOBJECTIVE ANALYSIS

PERIOD 11: 1st April 2022 - 28th February 2023

Objective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out- turn 2022/23 £000	Projected Over/(Under) Spend	Percentage Variance %
Regeneration, Planning & Public Protection	6,602	6,847	6,491	(356)	-5.19%
Property Services	2,124	2,365	2,477	112	4.74%
Roads & Environmental	12,543	14,170	14,339	169	1.19%
Corporate Director	154	158	35	(123)	-77.75%
TOTAL NET EXPENDITURE	21,424	23,539	23,342	(197)	-0.84%
Transfer to Earmarked Reserves *	0	(265)	(265)	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,424	23,274	23,077	(197)	-0.85%

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 11: 1st April 2022 - 28th February 2023

<u>Out Turn</u> <u>2021/22</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2022/23</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>28-Feb-23</u> <u>£000</u>	<u>Projection</u> <u>2022/23</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	REGENERATION, PLANNING & PUBLIC PROTECTION							
905	Planning Overall	Employee Costs	984	828	828	719	(265)	(26.93)%
2,472	Public Protection Overall	Employee Costs	2,861	2,406	2,253	2,705	(156)	(5.45)%
425	Admin	Employee Costs	555	467	493	533	(22)	(3.96)%
							(443)	
82	Comm. Ind. & Misc. Properties	Property Costs	44	41	57	77	33	75.00%
							33	
0	RI Employee Core	PTOB	23	13	0	0	(23)	(100.00)%
58	Training	PTOB	73	55	0	15	(58)	(79.45)%
16	Tourism	PTOB	56	37	11	23	(33)	(58.93)%
							(114)	
(422)	Planning sales, fees & charges	Income	(627)	(470)	(425)	(450)	177	(28.23)%
							177	
	PROPERTY SERVICES							
937	BSU	Employee Costs	1,048	882	796	956	(92)	(8.78)%
754	Technical Services	Employee Costs	956	805	648	760	(196)	(20.50)%
							(288)	
33	Office Accommodation - Water	Property Costs	61	61	30	38	(23)	(37.70)%
289	Office Accommodation - Rates	Property Costs	415	415	385	385	(30)	(7.23)%
1,257	Central Repairs	Property Costs	1,313	1,187	1,255	1,563	250	19.04%
							197	
257	BSU - Direct Purchases	Supplies and Services	164	150	353	416	252	153.66%
344	BSU - Subcontractors	Supplies and Services	220	202	326	456	236	107.27%
							488	
114	Technical Services - Agency Costs	Administration Costs	0	0	81	87	87	0.00%
							87	
(979)	BSU - Rech Int Public Buildings	Income	(810)	(677)	(967)	(967)	(157)	19.38%
(615)	BSU - Income Work won in Tender	Income	(603)	(553)	(274)	(743)	(140)	23.22%
(33)	BSU - Recharges Internal Clients	Income	(145)	(133)	(30)	(286)	(141)	97.24%
(95)	Physical Assets - Rental Income	Income	(101)	(101)	(49)	(78)	23	(22.77)%
							(415)	

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 11: 1st April 2022 - 28th February 2023

<u>Out Turn</u> <u>2021/22</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2022/23</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>28-Feb-23</u> <u>£000</u>	<u>Projection</u> <u>2022/23</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	ROADS & ENVIRONMENTAL							
1,425	Env Services - Street Cleaning	Employee Costs	1,458	1,230	1,192	1,414	(44)	(3.02)%
882	Env Services - Vehicle Maintenance	Employee Costs	797	673	587	696	(101)	(12.67)%
1,633	Env Services - Refuse Collection	Employee Costs	1,615	1,363	1,317	1,579	(36)	(2.23)%
1,474	Env Services - Management	Employee Costs	1,385	1,271	1,254	1,498	113	8.16%
222	Env Services - Civic Amenities	Employee Costs	139	118	139	161	22	15.83%
	Env Services - Grounds Maintenance	Employee Costs	1,633	1,377	1,337	1,542	(91)	(5.57)%
							(137)	
61	Env Services - Pottery Street - Security	Property Costs	35	32	50	61	26	74.29%
							26	
49	Roads Parking - Basic Contract	Supplies and Services	51	47	20	31	(20)	(39.22)%
325	Roads Client - Payments to Lighting Contractor	Supplies and Services	308	282	176	258	(50)	(16.23)%
71	Roads Client - Flooding	Supplies and Services	55	51	76	76	21	38.18%
							(49)	
90	Env Services - Ref Coll - Agency Costs	Administration Costs	0	0	113	135	135	
							135	
454	Env Services - Waste Strategy - DMR	PTOB	463	425	359	427	(36)	(7.78)%
119	Env Services - Waste Strategy - Green Waste	PTOB	80	77	115	119	39	48.75%
27	Env Services - Waste Strategy - Food Waste	PTOB	53	49	12	18	(35)	(66.04)%
2,930	Env Services - Waste Strategy - Residual Waste Contact	PTOB	3,567	2,997	2,528	3,712	145	4.07%
							113	
(278)	Roads Parking - Income (PCNS)	Income	(231)	(212)	(133)	(198)	33	(14.29)%
(236)	Roads Parking - Sales, Fees and Charges	Income	(236)	(216)	(29)	(152)	84	(35.59)%
(614)	Env Services - Crem - Cremations Income	Income	(743)	(674)	(581)	(691)	52	(7.00)%
(658)	Env Services - Refuse Collection- Trade Income	Income	(649)	(454)	(430)	(590)	59	(9.09)%
(23)	Env Services - Veh Main- Tyre Recharges	Income	0	0	(21)	(26)	(26)	0.00%
(69)	Env Services - RTS- Scrap Metal	Income	(31)	(28)	(56)	(71)	(40)	129.03%
(340)	Env Services - RTS- Tipping charges	Income	(298)	(273)	(342)	(404)	(106)	35.57%
(348)	Env Services - Waste Strategy Green Waste	Income	(370)	(370)	(544)	(347)	23	(6.22)%
(268)	Roads - Sales Fees and Charges	Income	(232)	(215)	(202)	(262)	(30)	12.93%
							49	

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 11: 1st April 2022 - 28th February 2023

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0	CORPORATE DIRECTOR CORPORATE DIRECTOR	Employee Costs	151	124	7	29	(122) <u>(122)</u>	(80.79)%
Total Material Variances							(263)	

EARMARKED RESERVES POSITION STATEMENT

Appendix 4

COMMITTEE: Environment & Regeneration

<u>Project</u>	<u>Total</u>	<u>Phased Budget</u>	<u>Actual</u>	<u>Projected</u>	<u>Amount to be</u>	<u>Lead Officer Update</u>
	<u>Funding</u>	<u>P11</u>	<u>P11</u>	<u>Spend</u>	<u>Earmarked for</u>	
	<u>2022/23</u>	<u>2022/23</u>	<u>2022/23</u>	<u>2022/23</u>	<u>2023/24</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>& Beyond</u>	
					<u>£000</u>	
Renewal of Clune Park Area	2,417	0	81	120	2,297	Spend to date relates to legal support and security costs.
Youth Employment	180	138	129	180	0	MA programme salaries and training programme ongoing. Full spend anticipated 22/23.
Repopulating/Promoting Inverclyde/ Group Action Plan	257	112	146	158	99	NRS £128k & Greenock Central Strategy £30k. Proposal to be developed for £99k balance.
Employability Initiatives	133	102	97	133	0	MA programme salaries and training programme ongoing. Full spend anticipated 22/23.
Climate Change	231	50	21	50	181	£50k 22/23 for project development, balance towards net zero.
Roadside Trees	31	31	23	31	0	Ongoing programme of works.
COVID - Jobs Recovery	3,077	0	625	1,194	1,883	Existing MA, Kickstart, graduate, Future Jobs, part contribution to new MA programme and apprentice wage subsidy programme. Expenditure to date against projection under review.
Roads Assessments due to parking prohibitions contained in the Transport Scotland Act 2019.	23	23	0	23	0	Planned programme this financial year.
Omicron Business Support Funding - Parking	170	170	170	170	0	Budget utilised to cover suspension of parking charges to 30/09/22.
Omicron Business Support Funding - Business Support Initiatives	579	250	44	52	527	Business Support initiatives aimed at retaining employment, workforce development, business development, equipment and infrastructure investment approved at ER Aug 22
SG Employability Grant NOLB	1,035	0	949	1,035	0	MA programme salaries and training programmes.
Total Category C to E	8,133	877	2,285	3,146	4,888	