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<b>Report To:</b>	<b>Environment &amp; Regeneration Committee</b>	<b>Date:</b>	<b>2 November 2023</b>
<b>Report By:</b>	<b>Chief Financial Officer and Director of Environment &amp; Regeneration</b>	<b>Report No:</b>	<b>FIN/67/23/AP/MT</b>
<b>Contact Officer:</b>	<b>Julie Ann Wilson</b>	<b>Contact No:</b>	<b>01475 712636</b>
<b>Subject:</b>	<b>2023/24 Environment &amp; Regeneration Revenue Budget at 31 August 2023</b>		

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## 1.0 PURPOSE AND SUMMARY

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to advise the Committee of the 2023/24 Environment & Regeneration Committee Revenue Budget projected position at 31 August 2023.
- 1.3 The revised 2023/24 Revenue Budget for the Environment & Regeneration Committee is £22,793,290, which excludes Earmarked Reserves. The latest projection is an overspend of £203,000 (0.88%) which is a decrease in the overspend of £148,000 since the Period 3 report and is largely due to an increase in projected turnover savings. More details are provided in section 3 and the appendices.
- 1.4 The Director and his senior management team will continue to review the projections and identify potential cost reductions to reduce the projected overspend.

## 2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee notes that the Committee's Revenue Budget is currently projected to overspend in 2023/24 by £203,000 based on figures at 31 August 2023 and the action being taken by the Director to reduce the projected overspend.

**Alan Puckrin**  
Chief Financial Officer

**Stuart Jamieson**  
Director Environment &  
Regeneration

### 3.0 BACKGROUND AND CONTEXT

3.1 The revised 2023/24 budget for Environment and Regeneration Committee, excluding earmarked reserves, is £22,793,290. This is an increase of £288,050 from the approved budget, prior to transfers to earmarked reserves. Appendix 1 gives details of this budget movement.

#### 3.2 2023/24 PROJECTED OUT-TURN (£203,00 Overspend – 0.88%)

The main reason for the movement of £148,000 from Period 3 is due to an increase in turnover from delays in filling vacant posts.

The main variances contributing to the projected net overspend are listed below.

- a) Refuse collection agency costs of £100,000 to cover food waste collection, sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime.
- b) Roads agency costs of £70,000 partly offset by turnover.
- c) A shortfall of £40,000 shortfall PCN income and £189,000 in parking income and due to less activity following reintroduction of charging post to Covid-19 pandemic. The parking income shortfall includes £25,000 for permit parking due to a delay in progressing the TRO.
- d) A projected over recovery of £116,000 against the turnover target across the Directorate.
- e) A projected underspend in fuel of £46,000 across the Directorate based on current usage and prices.

#### 3.3 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 31 August 2023 on these operational Earmarked Reserves is £567,000 (18.56% of projected spend). A comprehensive review of all earmarked reserves is being undertaken as part of the 2024/26 budget.

### 4.0 PROPOSALS

4.1 None.

### 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

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

Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
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 - 2023/24**

**PERIOD 5: 1st April 2023 - 31st August 2023**

Service	Approved Budget		Movements			Revised Budget
	2023/24 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2023/24 £000
Regeneration, Planning & Public Protection	6,325		(96)			6,229
Property Services	2,464		126			2,590
Roads	3,272					3,272
Environmental	10,296	331	(73)			10,554
Corporate Director	148					148
<b>Totals</b>	<b>22,505</b>	<b>331</b>	<b>(43)</b>	<b>0</b>	<b>0</b>	<b>22,793</b>

**Movement Details**

£000

External Resources

0

Inflation

Residual Waste

331,000

331,000

Virements

Property Services Energy Team	58,220
Management restructure - Phase 2 - delete Planning Policy team Leader post	(59,000)
Management restructure - Phase 2 - reduction in Manager costs following end of Shared Services	(16,000)
Management restructure - Phase 2 - 0.5 FTE Head of Service	57,000
Management restructure - Phase 2 - Physical Regeneration Manager Post	79,000
Externally funded post inflation returned to contingency	(2,170)
Transfer 7 1/2 John Wood St to CLD	(120,000)
CCTV transferred from AMP	6,000
AMP remaining budget reallocation	(46,000)

Address various pressures in Environmental Services:-

Green waste disposal	39,000
Green waste permits income	42,000
Tipping income	(81,000)
Scrap metal income	(19,600)
Refuse Collection agency costs	19,600
Burial grounds cleaning	(3,430)
Burial grounds materials	3,430

(42,950)

Supplementary Budgets

0

288,050

**ENVIRONMENT AND REGENERATION COMMITTEE****REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 5: 1st April 2023 - 31st August 2023**

<b>Subjective Heading</b>	<b>Approved Budget 2023/24 £000</b>	<b>Revised Budget 2023/24 £000</b>	<b>Projected Out-turn 2023/24 £000</b>	<b>Projected Over/(Under) Spend £000</b>	<b>Percentage Variance %</b>
Employee Costs	17,061	17,318	17,131	(187)	-1.08%
Property Costs	4,438	4,402	4,403	1	0.03%
Supplies & Services	3,852	3,849	4,127	278	7.22%
Transport & Plant Costs	2,710	2,710	2,539	(171)	-6.31%
Administration Costs	461	461	766	305	66.27%
Payments to Other Bodies	7,012	7,363	7,363	0	0.00%
Other Expenditure	2,056	1,903	1,907	4	0.21%
Income	(15,085)	(15,212)	(15,241)	(28)	0.19%
<b>TOTAL NET EXPENDITURE</b>	<b>22,505</b>	<b>22,793</b>	<b>22,996</b>	<b>203</b>	<b>0.89%</b>
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>22,505</b>	<b>22,793</b>	<b>22,996</b>	<b>203</b>	<b>0.89%</b>

**ENVIRONMENT AND REGENERATION COMMITTEE****REVENUE BUDGET MONITORING REPORT****OBJECTIVE ANALYSIS****PERIOD 5: 1st April 2023 - 31st August 2023**

<b>Objective Heading</b>	<b>Approved Budget 2023/24 £000</b>	<b>Revised Budget 2023/24 £000</b>	<b>Projected Out-turn 2023/24 £000</b>	<b>Projected Over/(Under) Spend £000</b>	<b>Percentage Variance %</b>
Regeneration, Planning & Public Protection	6,325	6,229	6,039	(190)	-3.06%
Property Services	2,464	2,590	2,424	(166)	-6.41%
Roads Services	3,272	3,272	3,621	349	10.67%
Environmental Services	10,296	10,554	10,757	203	1.92%
Corporate Director	148	148	155	7	4.73%
<b>TOTAL NET EXPENDITURE</b>	<b>22,505</b>	<b>22,793</b>	<b>22,996</b>	<b>203</b>	<b>0.89%</b>
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>22,505</b>	<b>22,793</b>	<b>22,996</b>	<b>203</b>	<b>0.89%</b>

**ENVIRONMENT AND REGENERATION COMMITTEE****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5: 1st April 2023 - 31st August 2023**

<u>Out Turn</u> <u>2022/23</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2023/24</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Aug-23</u> <u>£000</u>	<u>Projection</u> <u>2023/24</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	<b>REGENERATION, PLANNING &amp; PUBLIC PROTECTION</b>							
2,766	Public Protection	Employee Costs	2,741	1,036	1,010	2,714	(27)	(0.99)%
718	Planning Overall	Employee Costs	867	271	255	821	(46)	(5.31)%
568	Admin	Employee Costs	648	202	179	453	(195)	(30.09)%
							<b>(268)</b>	
0	Regen - SG - Externally funded posts	Income	(85)	(20)	0	0	85	(100.00)%
							<b>85</b>	
	<b>PROPERTY SERVICES</b>							
962	BSU	Employee Costs	1,040	416	348	936	(104)	(10.00)%
293	Physical Assets	Employee Costs	562	212	139	444	(48)	(8.54)%
170	Central Repairs	Employee Costs	373	141	150	396	23	6.17%
							<b>(129)</b>	
35	Office Accommodation - Water	Property Costs	65	64	11	43	(22)	(33.85)%
192	Office Accommodation - Gas	Property Costs	180	75	30	152	(28)	(15.56)%
							<b>(50)</b>	
	<b>ENVIRONMENTAL SERVICES</b>							
6,126	Env Services - Front Line	Employee Costs	6,136	2,320	2,352	6,156	20	0.33%
1,496	Env Services - Mangement	Employee Costs	1,481	560	577	1,596	115	7.77%
							<b>135</b>	
234	Env Services - Overall non-routine maintenance	Transport	221	92	75	190	(31)	(14.03)%
							<b>(31)</b>	
157	Env Services - Overall - Agency Costs	Administration Costs	20	8	72	145	125	
							<b>125</b>	
91	Env Services - Management - PTOB	PTOB	0	0	19	19	19	
19	Env Services - Waste Strategy - Food Waste	PTOB	57	24	7	22	(35)	(61.40)%
							<b>(16)</b>	
(492)	Env Services - RTS- Scrap Metal & Tipping	Income	(329)	(137)	(171)	(383)	(54)	16.41%
							<b>(54)</b>	

**ENVIRONMENT AND REGENERATION COMMITTEE**

**REVENUE BUDGET MONITORING REPORT**

**MATERIAL VARIANCES**

**PERIOD 5: 1st April 2023 - 31st August 2023**

<u>Out Turn</u> <u>2022/23</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2023/24</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Aug-23</u> <u>£000</u>	<u>Projection</u> <u>2023/24</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
1,414	<b>ROADS</b> Roads Client	Employee Costs	1,242	470	526	1,409	76	6.12%
							<b>76</b>	
0	Roads Client - Gas	Property Costs	21	7	0	0	(21)	(100.00)%
66	Roads Client - Other Property Costs	Property Costs	45	19	33	75	30	66.67%
29	Roads Client Rates	Property Costs	46	46	24	24	(22)	(47.83)%
							<b>(13)</b>	
	Roads Operations - Fuel	Transport	70	29	14	47	(23)	(32.86)%
							<b>(23)</b>	
35	Roads Operations Unit Agency Costs	Administration Costs	0	0	0	70	70	
							<b>70</b>	
(211)	Roads Parking - Income (PCNS)	Income	(231)	(96)	(52)	(191)	40	(17.32)%
(34)	Roads Parking - Sales, Fees and Charges	Income	(261)	(109)	(31)	(72)	189	(72.41)%
							<b>229</b>	
	<b>CORPORATE DIRECTOR</b>						0	0.00%
							<b>0</b>	
<b>Total Material Variances</b>							<b>136</b>	

## EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment &amp; 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>P5</u>	<u>Spend</u>	<u>Spend</u>	<u>Earmarked for</u>	
	<u>2023/24</u>	<u>2023/24</u>	<u>2023/24</u>	<u>2023/24</u>	<u>2024/25</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>&amp; Beyond</u>	
					<u>£000</u>	
Renewal of Clune Park Area	2,892	40	44	400	2,642	Spend to date relates to legal support and security costs. £500k added in 23/24 to create a contingency to fund potential CPO/purchase costs. Phasing of spend under review.
Winter Maintenance	68	0	0	0	68	Budget will be utilised during prolonged winter conditions if required.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	0	(6)	95	0	Proposals to be developed and reported to Policy & Resources Committee.
COVID - Jobs Recovery	2,427	0	529	1,685	742	Existing MA, Kickstart, graduate, Future Jobs, part contribution to new MA programme and apprentice wage subsidy programme.
Roads Assessments due to parking prohibitions contained in the Transport Scotland Act 2019.	23	0	0	23	0	Planned programme this financial year.
Omicron Business Support Funding - Business Support Initiatives	526	30	0	0	526	Business Support initiatives aimed at retaining employment, workforce development, business development, equipment and infrastructure investment approved at ER Aug 22
Local Plan Preparation	5	0	0	0	5	Smoothing EmR for local plan preparation to be utilised when required.
Business Loans Scotland - SME Activities	230	0	0	230	0	Funding for SME activities
Shared Prosperity Fund/Projects	544	120	0	544	0	Will be spent per in full Project Table of Share Prosperity Fund
LHEES Funding - 2022/23	75	0	0	75	0	Subject to on-going consultant procurement.
Employability Smoothing Reserve	400	0	0	0	400	Support to smooth the impact of the employability saving approved December 2022.
<b>Total Category C to E</b>	<b>7,285</b>	<b>190</b>	<b>567</b>	<b>3,052</b>	<b>4,383</b>	