
Report To:	Environment & Regeneration Committee	Date:	18 January 2024
Report By:	Chief Financial Officer and Director of Environment & Regeneration	Report No:	FIN/82/23/AP/MT
Contact Officer:	Julie Ann Wilson	Contact No:	01475 712636
Subject:	2023/24 Environment & Regeneration Revenue Budget at 31 October 2023		

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 October 2023.
- 1.3 The revised 2023/24 Revenue Budget for the Environment & Regeneration Committee is £23,305,410, which excludes Earmarked Reserves. The latest projection is an overspend of £177,000 (0.76%) which is a decrease in the overspend of £25,000 since the Period 5. 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 £177,000 based on figures at 31 October 2023 and the ongoing action being taken by the Director to reduce the projected overspend.
- 2.2 It is recommended that the Committee approve the virement set out in Appendix 5.
- 2.3 It is recommended that the Committee note that there is a report elsewhere on the agenda providing options to address the Parking income shortfall as part of the 2024/26 Budget.
- 2.4 It is recommended that the Committee approve an uplift in trade waste charges of 5% in 2024/25 in addition to the general uplift approved by Council resulting in a total uplift of 10% in 2024/25 and 5% in 2025/26.

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 £23,305,410. This is an increase of £800,170 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 (£177,00 Overspend – 0.76%)

The main reason for the movement of £25,000 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 £46,000 partly offset by turnover.
- c) A shortfall of £29,000 shortfall PCN income and £190,000 in parking income and due to less activity following reintroduction of charging post to Covid-19 pandemic. Following the in-principle approval of a Budget pressure to address this matter from 2024/25, there is a report elsewhere on the agenda outlining options. The parking income shortfall includes £25,000 for permit parking due to a delay in progressing the TRO.
- d) A projected net over recovery of £129,000 against the turnover target across the Directorate.
- e) A projected underspend in fuel of £50,000 across the Directorate based on current usage and prices.

3.3 The Director is undertaking a review on the use of agency staff across the Directorate to ensure their use represents best value.

3.4 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 31 October 2023 on these operational Earmarked Reserves is £791,000 (30.53% of projected spend). A comprehensive review of all earmarked reserves is being undertaken as part of the 2024/26 budget.

3.5 Members are aware that the trade waste function has been operating at a deficit and that last year an increase of 10% was agreed and that further analysis would be carried out to address this deficit. It is proposed that an increase of 8% be applied to the 2024/25 charges and a further 8% be applied to the 2025/26 charges, which will result in a break even scenario being achieved.

4.0 PROPOSALS

Delivering Differently: Trade Waste

4.1 As part of Delivering Differently there is an outstanding remit to review the charging levels for Trade Waste to ensure the Council provides a non-subsidised service. The recent awarding of the Waste Disposal contract means the current shortfall of income is approximately 15%. The Council has approved a general 5% uplift in fees and charges for both 2024/25 and 2025/26 and it is proposed to impose a further 5% increase for 2024/25 to bring income levels in line with expenditure by 2025/26. Financial implications of this increase will be reported through the budget process.

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

Appendix 5 contains a virement request to transfer budget back to the inflation contingency. This is the part year effect of the reduction in the rates of the new residual waste contract which begins on 1 January 2024.

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 - 2023/24**PERIOD 7: 1st April 2023 - 31st October 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		(44)	195		6,476
Property Services	2,464		352			2,816
Roads	3,272	251				3,523
Environmental	10,296	163	(117)			10,342
Corporate Director	148					148
Totals	22,505	414	191	195	0	23,305

Movement Details

£000

External Resources

0

Inflation

Residual Waste	331,000
Electrical Power	250,410
Residual Waste	(167,790)
	<u>413,620</u>

Virements

Property Services Energy Team	58,220
Management restructure - Phase 2	61,000
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

Costs transferred to the Common Good 4,500

Central Repairs from Education	230,000
	<u>191,550</u>

Supplementary Budgets

Employability redetermination	195,000
	<u>195,000</u>
	<u>800,170</u>

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 7: 1st April 2023 - 31st October 2023**

Subjective Heading	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Employee Costs	17,061	17,513	17,267	(246)	-1.40%
Property Costs	4,438	4,391	4,423	31	0.72%
Supplies & Services	3,852	4,055	4,654	599	14.77%
Transport & Plant Costs	2,710	2,710	2,495	(215)	-7.93%
Administration Costs	461	461	759	298	64.75%
Payments to Other Bodies	7,012	7,195	7,196	1	0.01%
Other Expenditure	2,056	1,903	1,907	4	0.21%
Income	(15,085)	(14,924)	(15,219)	(296)	1.98%
TOTAL NET EXPENDITURE	22,505	23,305	23,483	177	0.76%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	22,505	23,305	23,483	177	0.76%

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****OBJECTIVE ANALYSIS****PERIOD 7: 1st April 2023 - 31st October 2023**

Objective Heading	Approved Budget 2023/24 £000	Revised Budget 2023/24 £000	Projected Out-turn 2023/24 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Regeneration, Planning & Public Protection	6,325	6,476	6,215	(261)	-4.02%
Property Services	2,464	2,816	2,759	(57)	-2.02%
Roads Services	3,272	3,523	3,883	360	10.22%
Environmental Services	10,296	10,342	10,470	128	1.24%
Corporate Director	148	148	155	7	4.73%
TOTAL NET EXPENDITURE	22,505	23,305	23,483	177	0.76%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	22,505	23,305	23,483	177	0.76%

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 7: 1st April 2023 - 31st October 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-Oct-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>
	REGENERATION, PLANNING & PUBLIC PROTECTION							
2,766	Public Protection	Employee Costs	2,741	1,400	1,369	2,714	(27)	(0.99)%
718	Planning Overall	Employee Costs	867	404	389	821	(46)	(5.31)%
568	Admin	Employee Costs	648	302	216	404	(244)	(37.65)%
							(317)	
0	Regen - SG - Externally funded posts	Income	(85)	(20)	0	0	85	(100.00)%
							85	
	PROPERTY SERVICES							
962	BSU	Employee Costs	1,040	553	493	979	(61)	(5.87)%
352	Procurement	Employee Costs	325	173	183	345	20	6.15%
862	Technical Services	Employee Costs	548	291	271	518	(30)	(5.47)%
293	Physical Assets	Employee Costs	562	298	206	460	(102)	(18.15)%
							(173)	
35	Office Accommodation - Water	Property Costs	65	65	21	43	(22)	(33.85)%
							(22)	
88	Technical Services - Agency Costs	Administration Costs	0	0	43	74	74	0.00%
15	Physical Assets - External Consultants	Administration Costs	0	0	0	25	25	0.00%
							99	
	ENVIRONMENTAL SERVICES							
1,496	Env Services - Mangement	Employee Costs	1,367	727	794	1,468	101	7.39%
							101	
234	Env Services - Overall non-routine maintenance	Transport	221	129	98	178	(43)	(19.46)%
							(43)	
157	Env Services - Overall - Agency Costs	Administration Costs	20	12	99	138	118	590.00%
							118	
91	Env Services - Management - PTOB	PTOB	0	0	19	19	19	
19	Env Services - Waste Strategy - Food Waste	PTOB	57	33	8	22	(35)	(61.40)%
							(16)	

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 7: 1st April 2023 - 31st October 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-Oct-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>
(678)	Env Services - Cremations Income	Income	(755)	(302)	(295)	(725)	30	(3.97)%
(340)	Env Services -Burials Grounds Income	Income	(360)	(180)	(221)	(390)	(30)	8.33%
(497)	Env Services - Veh Maint- Drivers Recharges	Income	(563)	(328)	(287)	(537)	26	(4.62)%
(492)	Env Services - RTS- Scrap Metal & Tipping	Income	(329)	(192)	(249)	(391)	(62)	18.84%
							(36)	
	ROADS							
1,414	Roads Client	Employee Costs	1,242	660	753	1,409	76	6.12%
							76	
66	Roads Client - Other Property Costs	Property Costs	45	26	39	75	30	66.67%
29	Roads Client Rates	Property Costs	46	46	24	24	(22)	(47.83)%
							8	
27	Roads Client - Emergency/ Misc	Supplies and Services	24	14	21	54	30	125.00%
							30	
80	Roads Operations - Fuel	Transport	70	41	22	47	(23)	(32.86)%
							(23)	
35	Roads Operations Unit Agency Costs	Administration Costs	0	0	1	46	46	
							46	
(2,408)	Roads Opertions Unit - Schedule of Rates	Income	(2,256)	(916)	(779)	(2,181)	75	(3.32)%
(211)	Roads Parking - Income (PCNS)	Income	(231)	(135)	(90)	(202)	29	(12.55)%
(34)	Roads Parking - Sales, Fees and Charges	Income	(261)	(152)	(43)	(71)	190	(72.80)%
(394)	Roads Client - Sales, Fees and Charges	Income	(292)	(182)	(150)	(322)	(30)	10.27%
							264	
	CORPORATE DIRECTOR							
							0	0.00%
							0	
Total Material Variances							197	

EARMARKED RESERVES POSITION STATEMENT

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>P7</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>& Beyond</u>	
					<u>£000</u>	
Renewal of Clune Park Area	2,892	63	62	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. Allocate extra funding to be considered as part of the 2024/26 Budget.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	50	0	95	0	Proposals to be developed and reported to Policy & Resources Committee.
COVID - Jobs Recovery	2,427	0	646	1,295	1,132	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.	79	0	0	79	0	Planned programme this financial year.
Omicron Business Support Funding - Business Support Initiatives	470	42	0	0	470	Business Support initiatives aimed at retaining employment, workforce development, business development, equipment and infrastructure investment approved at ER Aug 22. £56k has been transferred to fund the implementation of the pavement parking strategy.
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	240	183	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	200	200	Support to smooth the impact of the employability saving approved December 2022.
Total Category C to E	7,285	395	891	2,918	4,517	

ENVIRONMENT AND REGENERATION COMMITTEE

VIREMENT REQUESTS

PERIOD 7: 1st April 2023 - 31st October 2023

Budget Heading	Increase Budget £	(Decrease) Budget £
Residual Waste Contract Inflation Contingency	167,790	167,790
Total	167,790	167,790

Note

Virement to transfer budget back to the inflation contingency. This is the part year effect of the reduction in the rates of the new residual waste contract which begins on 1 January 2024.