
Report To:	Environment & Regeneration Committee	Date:	14 March 2024
Report By:	Chief Financial Officer and Director of Environment & Regeneration	Report No:	FIN/17/24/AP/MT
Contact Officer:	Julie Ann Wilson	Contact No:	01475 712636
Subject:	2023/24 Environment & Regeneration Revenue Budget at 31 December 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 December 2023.
- 1.3 The revised 2023/24 Revenue Budget for the Environment & Regeneration Committee is £24,211,250, which excludes Earmarked Reserves. The latest projection is an overspend of £160,000 (0.66%) which is a decrease in the overspend of £17,000 since the Period 7. 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 £160,000 based on figures at 31 December 2023.
- 2.2 It is recommended that the Committee approve the virement set out in Appendix 5.
- 2.3 It is recommended that the Committee approve the proposal at 4.4 to earmark the projected over recovery in Planning income for the Local Development Plan and remit this to P&R for approval.
- 2.4 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 as well as a report on the use of the balance of Business Grants.

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 £24,211,530. This is an increase of £1,706,290 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 (£160,00 Overspend – 0.66%)

The main reasons for the movement of £17,000 from Period 7 is due to an increase in turnover from delays in filling vacant posts, partly offset by a decrease in income streams and costs for emergency works.

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 £47,000 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 approval of a Budget pressure of £174,000 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 £310,000 against the turnover target across the Directorate.
- e) A projected underspend in fuel of £56,000 across the Directorate based on current usage and prices.
- f) A projected over spend of £55,000 in Roads due to an increase flooding and emergency works.
- g) A projected under recovery in Crematorium income of £80,000 due to reduced activity whilst one of the cremators was being replaced. It is now operating at full capacity. This is partly offset by a projected over recovery in burials grounds income of £40,000.

3.3 The Director is undertaking a review on the use of agency staff across the Directorate to ensure their use represents best value. This review is expected to be complete by Autumn 2024.

3.4 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 31 December 2023 on these operational Earmarked Reserves is £1,588,000 (57.84% of projected spend).

4.0 PROPOSALS

4.1 The Director and his senior management team will continue to review the projections and identify potential cost reductions to reduce the projected overspend. However closure of the gap in 2023/24 is unlikely due to the ongoing parking income pressure that will not be addressed until 2024/25.

4.2 It is recommended that Committee approve the virement request set out on Appendix 5 for the increase in internal commercial waste charges and the corresponding increase in income.

4.3 The pay inflation required for E&R Committee is also included on appendix 5 for information. Committee should note that this will be approved at P&R Committee and will be fully funded from Corporate budgets.

- 4.4 There is a projected over recovery in Planning income of £50k due to a one off fee received from the Scottish Government relating to the removal of pylons at Auchentiber Road which has not been reflected in the figures. It is recommended that Committee approve the proposal to earmark the £50,000 for the one off costs associated with the development of the Local Development Plan. If approved, this will be remitted to P&R Committee for approval.

5.0 IMPLICATIONS

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

SUBJECT	YES	NO
Financial	X	
Legal/Risk		X
Human Resources		X
Strategic (Partnership/Council Plan)		X
Equalities, Fairer Scotland Duty & 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
Planning Development	Planning Applications Income	2023/24	(£50,000)		Additional income not reported above.
Planning Policy	Local Development Plan	2023/24	£50,000		Excess Planning Income Earmarked for completion of LDP

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 9: 1st April 2023 - 31st December 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	271	(44)	195		6,747
Property Services	2,464	171	352			2,987
Roads	3,272	383				3,655
Environmental	10,296	488	(117)			10,667
Director	148	8				156
Totals	22,505	1,321	191	195	0	24,212

Movement Details

£000

External Resources

0

Inflation

Residual Waste	331,000
Electrical Power	250,410
Residual Waste	(167,790)
Pay Inflation	1,099,000
	<u>1,512,620</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
Commercial Waste	(192,880)
	<u>(1,330)</u>

Supplementary Budgets

Employability redetermination	195,000
	<u>195,000</u>
	<u>1,706,290</u>

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 9: 1st April 2023 - 31st December 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	18,612	18,233	(379)	-2.03%
Property Costs	4,438	4,421	4,487	66	1.50%
Supplies & Services	3,852	4,055	4,891	836	20.62%
Transport & Plant Costs	2,710	2,710	2,459	(251)	-9.26%
Administration Costs	461	480	786	306	63.77%
Payments to Other Bodies	7,012	7,234	7,254	20	0.28%
Other Expenditure	2,056	1,903	1,907	4	0.21%
Income	(15,085)	(15,204)	(15,648)	(443)	2.92%
TOTAL NET EXPENDITURE	22,505	24,212	24,371	160	0.66%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	22,505	24,212	24,371	160	0.66%

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****OBJECTIVE ANALYSIS****PERIOD 9: 1st April 2023 - 31st December 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	6,747	6,481	(265)	-3.93%
Property Services	2,464	2,987	2,906	(81)	-2.71%
Roads Services	3,272	3,655	4,068	413	11.30%
Environmental Services	10,296	10,667	10,753	86	0.81%
Director	148	156	163	7	4.48%
TOTAL NET EXPENDITURE	22,505	24,212	24,371	160	0.66%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	22,505	24,212	24,371	160	0.66%

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2023 - 31st December 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-Dec-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	2,906	1,799	1,949	2,831	(75)	(2.58)%
718	Planning Overall	Employee Costs	940	582	566	875	(65)	(6.91)%
	Regeneration	Employee Costs	49	15	0	0	(49)	(100.00)%
568	Admin	Employee Costs	658	407	300	454	(204)	(31.00)%
							(393)	
0	Planning other admin	Administration Costs	0	0	0	20	20	
							20	
0	Regen - SG - Externally funded posts	Income	(85)	(20)	0	0	85	(100.00)%
							85	
	PROPERTY SERVICES							
962	BSU	Employee Costs	1,088	829	760	1,030	(58)	(5.33)%
862	Technical Services	Employee Costs	577	440	403	538	(39)	(6.76)%
293	Physical Assets	Employee Costs	589	448	322	464	(125)	(21.22)%
170	Central Repairs	Employee Costs	395	301	322	423	28	7.09%
							(194)	
35	Office Accommodation - Water	Property Costs	65	65	28	43	(22)	(33.85)%
12	Physical Assets - Pontoon Property Costs	Property Costs	0	0	18	20	20	
							(2)	
88	Technical Services - Agency Costs	Administration Costs	0	0	56	74	74	0.00%
15	Physical Assets - External Consultants	Administration Costs	0	0	30	30	30	0.00%
							74	

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2023 - 31st December 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-Dec-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>
	ENVIRONMENTAL SERVICES							
6,126	Env Services - Front Line	Employee Costs	6,586	4,561	4,524	6,496	(90)	(1.37)%
1,496	Env Services - Mangement	Employee Costs	1,462	1,001	1,071	1,560	98	6.70%
							8	
38	Env Services - Grounds Maintenance - Hire of Skips	Property Costs	74	56	33	49	(25)	(33.78)%
28	Env Services - RTS - Pest Extermination	Property Costs	0	0	20	27	27	
							2	
234	Env Services - Overall non-routine maintenance	Transport	221	166	137	168	(53)	(23.98)%
							(53)	
157	Env Services - Overall - Agency Costs	Administration Costs	20	15	114	135	115	575.00%
							115	
19	Env Services - Waste Strategy - Food Waste	PTOB	57	43	15	21	(36)	(63.16)%
							(36)	
(688)	Env Services - Crem - Cremations/Book of Rememberance	Income	(783)	(470)	(427)	(703)	80	(10.22)%
(343)	Env Services - Burial Grounds - Internments & Lairs Income	Income	(359)	(215)	(271)	(399)	(40)	11.14%
(986)	Env Services - Various Waste Disposal	Income	(1,110)	(925)	(872)	(1,086)	24	(2.16)%
(78)	Env Services - Street Scene /Grounds - minor income lines	Income	(74)	(56)	(21)	(42)	32	(43.24)%
(492)	Env Services - RTS- Scrap Metal & Tipping	Income	(429)	(322)	(336)	(491)	(62)	14.45%
							34	

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2023 - 31st December 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-Dec-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	ROADS Roads Client	Employee Costs	1,333	1,015	1,133	1,504	80	6.00%
							80	
66	Roads Client - Other Property Costs	Property Costs	45	34	46	75	30	66.67%
29	Roads Client Rates	Property Costs	46	46	24	24	(22)	(47.83)%
							8	
111	Roads Client - Emergency/ Misc/Flooding	Supplies and Services	79	59	115	134	55	69.62%
23	Roads Parking - Basic Contract	Supplies and Services	51	38	21	31	(20)	(39.22)%
							35	
80	Roads Operations - Fuel	Transport	70	41	22	47	(23)	(32.86)%
							(23)	
35	Roads Operations Unit Agency Costs	Administration Costs	0	0	13	46	46	
							46	
(2,408)	Roads Operations Unit - Schedule of Rates	Income	(2,256)	(1,347)	(1,326)	(2,181)	75	(3.32)%
(211)	Roads Parking - Income (PCNS)	Income	(231)	(173)	(120)	(184)	47	(20.35)%
(34)	Roads Parking - Sales, Fees and Charges	Income	(261)	(196)	(54)	(71)	190	(72.80)%
(394)	Roads Client - Sales, Fees and Charges	Income	(292)	(226)	(196)	(322)	(30)	10.27%
							282	
	DIRECTOR						0	
							0	
Total Material Variances							88	

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>P9</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	86	79	350	2,692	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.
Winter Maintenance	68	0	0	0	68	Budget will be utilised during prolonged winter conditions if required. Proposal to add £150k additional funding in the 23/24 budget.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	50	0	20	75	Proposals to be developed and reported to Policy & Resources Committee.
COVID - Jobs Recovery	2,427	0	991	1,271	1,156	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	16	23	0	Planned programme this financial year.
Covid Recovery - Business Development Interventions	724	42	28	33	691	A write back of £150k was approved at Inverclyde Council 1st February 2024. A report on the use of the uncommitted £192k is included elsewhere on the agenda.
Local Plan Preparation	5	0	0	0	5	Smoothing EmR for local plan preparation to be utilised when required. Proposal in E&R report March 2024 to add £50k funding from excess income in planning applications.
Business Loans Scotland - SME Activities	230	0	0	230	0	Funding for SME activities
Shared Prosperity Fund/Projects	544	360	399	544	0	Will be spent per in full Project Table of Share Prosperity Fund
LHEES Funding - 2022/23	75	40	75	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	7,483	578	1,588	2,746	4,887	

ENVIRONMENT AND REGENERATION COMMITTEE**VIREMENT REQUESTS****PERIOD 9: 1st April 2023 - 31st December 2023**

Budget Heading	Increase Budget	(Decrease) Budget
	£	£
Commercial Waste Income		222,030
Commercial Waste Expenditure E&R	29,140	
Commercial Waste Expenditure ECOD	192,890	
Pay Inflation E&R	1,099,000	
Pay Inflation P&R		1,099,000
Total	1,321,030	1,321,030

Notes**1. Commercial Waste Virement –**

Internal recharges have not been inflated for a number of years, in order to bring internal recharges in line with external recharges an increase will be applied. The above virement increases the commercial waste income budget which is offset by a similar increase in recharges to internal clients.

2. Pay Inflation –

Increase to the Committee's employee cost budget to reflect 2023/24 pay award, this is part of a council wide virement which will be approved at P&R Committee.