
Report To:	Environment & Regeneration Committee	Date:	16 May 2024
Report By:	Chief Financial Officer and Director of Environment & Regeneration	Report No:	FIN/26/24/AP/MT
Contact Officer:	Julie Ann Wilson	Contact No:	01475 712636
Subject:	2023/24 Environment & Regeneration Revenue Budget Update		

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.
- 1.3 The revised 2023/24 Revenue Budget for the Environment & Regeneration Committee is £24,152,870, which excludes Earmarked Reserves. The latest projection is an overspend of £169,000 (0.70%) which is an increase in the overspend of £9,000 since the previous Committee. More details are provided in section 3 and the appendices.
- 1.4 The 2023/24 outturn along with any material movements from those included in the report will be reported to Committee after the summer recess.

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 £169,000.
- 2.2 It is recommended that the Committee notes that the 2023/24 outturn will be reported to Committee after the summer recess.
- 2.3 It is recommended that the Committee approve the re-allocation of SPF underspend to support the projects noted in paragraph 3.6 of the report.

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 £24,252,870. This is an increase of £1,647,630 from the approved budget, prior to transfers to earmarked reserves. Appendix 1 gives details of this budget movement.

3.2 Expenditure to date and projections are based on figures available at the date of submission of this report. It should however be noted that the 2023/24 accounts closedown is ongoing and final accruals and adjustments are not necessarily included, although where known they are reflected in the projection. The final outturn will be reported to Policy & Resources Committee in August and to this Committee after the summer recess and may differ from the current projection.

3.3 2023/24 PROJECTED OUT-TURN (£169,00 Overspend – 0.70%)

The main reasons for the movement of £9,000 from the previous Committee are an increase in costs for emergency works, winter maintenance and central repairs, partly offset by an increase in turnover from delays in filling vacant posts and a decrease in the cost of residual waste disposal due to a decrease in tonnages.

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

- a) Environmental services agency costs of £154,000 to cover food waste collection, short term transport needs, sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime and turnover savings.
- b) Roads agency costs of £46,000 partly offset by turnover.
- c) A shortfall of £48,000 shortfall PCN income and £188,000 in parking income and due to less activity following reintroduction of charging post to Covid-19 pandemic. A budget pressure of £174,000 to address this matter has been approved from 2024/25. 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 £409,000 against the turnover target across the Directorate.
- e) A projected underspend in residual waste disposal of £119,000 due to a decrease in tonnages.
- f) A projected over spend of £90,000 in Roads due to an increase in flooding and emergency works.
- g) A projected over spend of £115,000 in central repairs due to an increase in works carried out.
- h) A projected over spend of £94,000 in winter maintenance due to an increase in activity. An additional £150,000 has been approved to be added to the winter maintenance earmarked reserve from 2024/25.

3.4 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.

3.5 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend to 31 March 2024 on these operational Earmarked Reserves prior to accruals being included is £1,981,000 (81.79% of projected spend).

3.6 SHARED PROSPERITY FUND PROGRAMME

The SPF programme has recently concluded year 1 and has entered the final year of the programme. The Multiply element of the project has had delivery challenges in Inverclyde, which have also been experienced nationally. Within Multiply there has been a year 1 underspend of £236,098. While some can be carried over to allow existing Multiply projects to continue, it is recommended that some funds are re-profiled. It is recommended that a special intervention is created under SPF to provide business support through grants to businesses in West Blackhall Street and surrounds, who have been affected by the increased costs of doing business and by recent road works. This would be a business resilience support programme for small and medium sized local businesses within that area (£100,000 allocation). In addition, it is recommended that a project to support the development of a pilot project to tackle economic inactivity is also introduced in line with recent Taskforce 'asks' of the Scottish and UK Governments (£75,000 allocation). A report on the wider SPF programme will be brought back to a future E&R committee. Subject to approval, officers will develop the proposals, and create the appropriate business resilience criteria and progress grant awards.

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

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

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	144	316			2,924
Roads	3,272	381	1			3,654
Environmental	10,296	708	(332)			10,672
Director	148	8				156
Totals	22,505	1,512	(59)	195	0	24,153

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)
Cleaning recharge from facilities	24,040
Office accommodation	(30,000)
Property management allocation	(52,700)

(59,990)**Supplementary Budgets**

Employability redetermination	195,000
	<u>195,000</u>
	<u>1,647,630</u>

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS**

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	18,559	18,090	(470)	-2.53%
Property Costs	4,438	4,445	4,657	212	4.77%
Supplies & Services	3,852	4,055	5,162	1,107	27.30%
Transport & Plant Costs	2,710	2,710	2,637	(73)	-2.69%
Administration Costs	461	480	834	354	73.66%
Payments to Other Bodies	7,012	7,234	7,128	(106)	-1.47%
Other Expenditure	2,056	1,903	1,908	5	0.26%
Income	(15,085)	(15,234)	(16,095)	(860)	5.65%
TOTAL NET EXPENDITURE	22,505	24,153	24,322	169	0.70%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	22,505	24,153	24,322	169	0.70%

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****OBJECTIVE ANALYSIS**

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	6,366	(381)	-5.65%
Property Services	2,464	2,924	2,867	(57)	-1.95%
Roads Services	3,272	3,655	4,194	539	14.75%
Environmental Services	10,296	10,672	10,733	61	0.57%
Director	148	156	163	7	4.48%
TOTAL NET EXPENDITURE	22,505	24,153	24,322	169	0.70%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	22,505	24,153	24,322	169	0.70%

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES**

<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-Mar-24</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	2,845	2,822	2,716	2,720	(125)	(4.39)%
718	Planning Overall	Employee Costs	923	915	871	878	(45)	(4.88)%
0	Regeneration	Employee Costs	49	49	0	0	(49)	(100.00)%
568	Admin	Employee Costs	675	669	506	444	(231)	(34.22)%
							(450)	
0	Planning other admin	Administration Costs	0	0	0	20	20	
							20	
(76)	PP- landlord registration income	income	(69)	(69)	(95)	(111)	(42)	60.87%
0	Regen - SG - Externally funded posts	Income	(85)	(85)	0	0	85	(100.00)%
							43	
	PROPERTY SERVICES							
962	BSU	Employee Costs	1,088	1,076	1,005	1,016	(72)	(6.62)%
862	Technical Services	Employee Costs	577	571	517	531	(46)	(7.97)%
293	Physical Assets	Employee Costs	589	583	427	462	(127)	(21.56)%
170	Central Repairs	Employee Costs	395	391	415	422	27	6.84%
							(218)	
35	Office Accommodation - Water	Property Costs	65	65	34	34	(31)	(47.69)%
12	Physical Assets - Pontoon Property Costs	Property Costs	0	0	20	20	20	
1,688	Central Repairs	Property Costs	1,396	1,396	1,192	1,511	115	8.24%
							104	
492	BSU - Direct Purchases	Supplies and Services	164	164	271	294	130	79.27%
385	BSU - Subcontractors	Supplies and Services	220	220	316	325	105	47.73%
							235	
88	Technical Services - Agency Costs	Administration Costs	0	0	66	74	74	
15	Physical Assets - External Consultants	Administration Costs	0	0	25	25	25	
							74	
(649)	BSU - Rech Int Public Buildings	Income	(810)	(810)	(1,043)	(1,232)	(422)	52.10%
(1,351)	BSU - Income Work won in Tender	Income	(603)	(603)	(382)	(382)	221	(36.65)%
	BSU - Recharges Internal Clients	Income	(145)	(145)	(97)	(240)	(95)	65.52%
							(296)	

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES**

<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-Mar-24</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	6,514	6,388	6,476	(110)	(1.67)%
1,496	Env Services - Mangement	Employee Costs	1,462	1,446	1,534	1,554	92	6.29%
							(18)	
64	Env Services - Water	Property Costs	39	39	61	67	28	71.79%
28	Env Services - RTS - Pest Extermination	Property Costs	0	0	25	27	27	
							28	
204	Env Services - Vehicle Maintenance Sub-contractors	Supplies and Services	96	96	145	151	55	57.29%
							55	
430	Env Services - Overall - Fuel	Transport	381	381	314	353	(28)	(7.35)%
9	Env Services - Overall - External Hires	Transport	51	51	5	12	(39)	(76.47)%
							(28)	
157	Env Services - Overall - Agency Costs	Administration Costs	20	19	169	174	154	770.00%
							154	
19	Env Services - Waste Strategy - Food Waste	PTOB	57	57	20	21	(36)	(63.16)%
3,743	Env Services - Waste Strategy - Residual Waste Contact	PTOB	4,062	4,062	3,928	3,943	(119)	(2.93)%
							(155)	
(688)	Env Services - Crem - Cremations & book of remembrance	Income	(783)	(783)	(644)	(704)	79	(10.09)%
(365)	Env Services - Burial Grounds - Internments, lairs & foundations for headstones	Income	(359)	(359)	(405)	(423)	(64)	17.83%
(78)	Env Services - Street Scene /Grounds - minor income lines	Income	(74)	(74)	(36)	(42)	32	(43.24)%
(492)	Env Services - RTS- Scrap Metal & Tipping	Income	(429)	(429)	(458)	(489)	(60)	13.99%
							(13)	

ENVIRONMENT AND REGENERATION COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

<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-Mar-24</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>
	ROADS							
1,414	Roads Client	Employee Costs	1,333	1,318	1,503	1,517	93	6.98%
750	Roads Operations	Employee Costs	795	786	764	772	(23)	(2.89)%
							93	
66	Roads Client - Other Property Costs	Property Costs	45	45	75	75	30	66.67%
29	Roads Client Rates	Property Costs	46	46	24	24	(22)	(47.83)%
							8	
349	Roads Operations Unit - Subcontractors	Supplies and Services	227	227	200	200	(27)	(11.89)%
1115	Roads Operations Unit - Materials	Supplies and Services	894	894	980	988	94	10.51%
27	Roads Client - Emergency/ Misc	Supplies and Services	24	24	92	92	68	283.33%
23	Roads Parking - Basic Contract	Supplies and Services	51	51	29	31	(20)	(39.22)%
84	Roads Client - Flooding/ Drainage	Supplies and Services	56	56	100	78	22	39.29%
248	Roads Client - Winter Maintenance	Supplies and Services	228	228	322	322	94	41.23%
							231	
60	Roads Operations - Non Routine	Transport	24	24	62	62	38	158.33%
							38	
35	Roads Operations Unit Agency Costs	Administration Costs	0	0	37	46	46	
							46	
(78)	Roads Operations Unit -Non Client Involvement	Income	(26)	(26)	(62)	(82)	(56)	215.38%
(2,408)	Roads Operations Unit - Schedule of Rates	Income	(2,256)	(2,256)	(1,854)	(2,110)	146	(6.47)%
(670)	Roads Operation Unit - Recharges at Dayworks	Income	(455)	(455)	(501)	(501)	(46)	10.11%
(211)	Roads Parking - Income (PCNS)	Income	(231)	(231)	(180)	(183)	48	(20.78)%
(34)	Roads Parking - Sales, Fees and Charges	Income	(261)	(261)	(72)	(73)	188	(72.03)%
(394)	Roads Client - Sales, Fees and Charges	Income	(292)	(292)	(350)	(432)	(140)	47.95%
							140	
	CORPORATE DIRECTOR							
							0	
							0	
Total Material Variances							91	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

<u>Project</u>	<u>Total Funding</u> <u>2023/24</u> <u>£000</u>	<u>Phased Budget</u> <u>31/03/24</u> <u>2023/24</u> <u>£000</u>	<u>Actual Spend</u> <u>31/03/24</u> <u>2023/24</u> <u>£000</u>	<u>Projected Spend</u> <u>31/03/24</u> <u>2023/24</u> <u>£000</u>	<u>Amount to be Earmarked for</u> <u>2024/25</u> <u>& Beyond</u> <u>£000</u>	<u>Lead Officer Update</u>
Renewal of Clune Park Area	2,892	116	141	141	2,792	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	68	68	68	0	Winter EMR now fully utilised with the continuation of Winter Operations to the end of the financial year. Agreed to add £150k additional funding in the 24/25 budget.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	95	0	5	90	Proposals to be developed and reported to Policy & Resources Committee.
COVID - Jobs Recovery	2,427	2,427	1,140	1,275	1,152	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	23	16	23	0	Planned programme this financial year.
Covid Recovery - Business Development Interventions	724	724	81	91	633	A number of commitments exist towards Business Support Initiatives, ass approved at E&R August 2022, of the £342k currently uncommitted a write back of £150k was approved at Inverclyde Council 1st February 2024 with the remaining £192k approved at E&R March 2024 towards further business support interventions.
Local Plan Preparation	55	0	0	0	55	Smoothing EmR for local plan preparation to be utilised when required. £50k over recovery of Planning income approved to be allocated to LDP E&R March 2024.
Business Loans Scotland - SME Activities	230	0	0	0	230	Funding for SME activities 24/25
Shared Prosperity Fund/Projects	544	544	260	544	0	Will be spent in full.
LHEES Funding - 2022/23	75	75	75	75	0	Subject to on-going consultant procurement.
Employability Smoothing Reserve	400	0	200	200	200	Support to smooth the impact of the employability saving approved December 2022.
Total Category C to E	7,533	4,138	1,981	2,422	5,152	