
Report To:	Environment & Regeneration Committee	Date:	29 August 2024
Report By:	Chief Financial Officer and Director of Environment & Regeneration	Report No:	FIN/49/24/AP/MT
Contact Officer:	Julie Ann Wilson	Contact No:	01475 712636
Subject:	2024/25 Environment & Regeneration Revenue Budget and 2023/24 Out-turn		

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 Environment & Regeneration Revenue Budget outturn for 2023/24 and the 2024/25 projected position including details of action being taken to reduce the projected overspend.

1.3 In 2023/24, excluding the carry forward of Earmarked Reserves, there was an overspend of £34,000 within the Environment and Regeneration Committee. This was a decrease in expenditure of £134,000 from the projected outturn reported to Committee in May 2024, and was largely due to a reduction in the projected overspend within central repairs and a reduction in bad debt provision, partly offset by an increase in transport maintenance costs. More details are provided in section 3 and the appendices.

1.4 The revised 2024/25 Revenue Budget for the Environment and Regeneration Committee is £21,409,450, which excludes Earmarked Reserves. The latest projection is an overspend of £168,000 (0.8%) largely due to a projected overspend in agency costs, a projected overspend in residual waste, an under recovery in Roads Operations Unit income. These are partly offset by a projected over recovery in employee turnover. More details are provided in section 4 and the appendices.

1.5 The Director and his senior management team are reviewing the 2023/24 outturns to identify potential virement opportunities to reduce the projected overspend in addition to which he is undertaking reviews of the use of Agency and Winter Gritting costs to reduce the expenditure pressures in both these areas. Updates on progress and any proposals will be reported to Committee prior to the end of 2024.

1.6 In August the Policy & Resources Committee approved the progression of targeted VER trawls as part of the development of potential service redesign proposals across all Directorates to address some of the budget pressures in a corporate manner.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee notes outturn for 2023/24, and that the Committee's Revenue Budget is currently projected to overspend in 2024/25 by £168,000 and the action being taken by the Director to reduce the projected overspend.

2.2 It is recommended that the Committee notes the on-going reviews being progressed by the Director and that where appropriate, updates will be provided to future meetings of the Committee.

Alan Puckrin
Chief Financial Officer

Stuart Jamieson
**Director Environment &
Regeneration**

3.0 BACKGROUND AND CONTEXT

3.1 2023/24 OUT-TURN (£34,000 Overspend – 0.15%)

The main variations from budget and movements from the projected outturn position reported to the Committee in May, were as follows:

Service	Revised Budget 2023/24 £000	Outturn 2023/24 £000	Variance to Budget £000	Variance to Budget %	Movement since P11 £000
Regeneration, Planning & Public Protection	6,640	6,321	(319)	(4.80%)	63
Property Services	2,887	2,692	(195)	(6.77%)	(138)
Roads Services	3,701	4,229	528	14.28%	(11)
Environmental Services	10,621	10,630	9	0.08%	(52)
Director	156	167	11	7.05%	3
TOTAL NET EXPENDITURE	24,005	24,039	34	0.15%	(134)

3.2 The actual out-turn, excluding Earmarked Reserves, was £24,039,000 which represents an overspend of £34,000. This is a decrease in spend of £134,000 from the position reported to Committee in May 2024. The main reasons for the movement were a decrease in the projected overspend within central repairs and a decrease in the bad debt provision, partly offset by an increase in transport maintenance costs across the Directorate due to increased costs for materials and sub-contractors. The main variances contributing to the net overspend are listed below.

- a) Environmental services agency costs of £178,000 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 £45,000 partly offset by turnover.
- c) A shortfall of £44,000 shortfall PCN income and £188,000 in parking income and due to less activity following reintroduction of charging post to Covid-19 pandemic, partly offset by a decrease of £84,000 in the PCN bad debt provision. A budget pressure of £174,000 to address the parking income shortfall matter was approved from 2024/25. The parking income shortfall includes £25,000 for permit parking due to a delay in progressing the TRO.
- d) A net over recovery of £462,000 against the turnover target across the Directorate.
- e) An underspend in residual waste disposal of £119,000 due to a decrease in tonnages.
- f) An over spend of £118,000 in Roads due to an increase in flooding and emergency works.
- g) An over spend of £39,000 in central repairs due to an increase in works carried out.
- h) An over spend of £100,000 in winter maintenance due to an increase in activity. An additional £150,000 was approved to be added to the winter maintenance earmarked reserve during 2024/25 whilst a review is being progressed by the Director.

3.3 2024/25 PROJECTED OUT-TURN (£168,000 Overspend – 0.8%)

The revised 2024/25 budget for Environment and Regeneration, excluding earmarked reserves, is £21,409,450. This is an increase of £15,000 from the approved budget, prior to transfers to earmarked reserves. Appendix 1 gives details of this budget movement.

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

- a) Environmental Services agency costs of £114,000 to cover sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime. 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.
- b) A projected underspend of £85,000 in Grounds Maintenance seasonals.
- c) A projected under recovery of £62,000 in planning income due to a decrease in activity.
- d) A shortfall of £24,000 in parking income due to a delay in progressing the TRO for parking permits, and £30,000 shortfall PCN income due to less activity. The CMT are considering options to improve the TRO process which will be reported to Committee in due course.
- e) A projected net under recovery in Roads Operations Unit income of £85,000.
- f) A projected overspend of £78,000 in residual waste. Due to new legislation, waste upholstered domestic materials and mattresses must be disposed of separately from the general waste. There is currently no contract in place for this, and a higher price per tonne is being incurred. This is under review by the Service and Committee will be updated in due course.
- g) A projected under recovery in Property fees from capital of £53,000.
- h) A projected over recovery of £208,000 against the turnover target across the Directorate, offset by the Property fees from capital noted at 3.3 (g) and the agency costs noted at 3.3 (a). The turnover projection includes a £100,000 allowance for future turnover this financial year. This allowance will be reviewed each reporting period.

3.4 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, i.e. excluding strategic funding models. Spend on these operational Earmarked Reserves is £239,000 (6.66% of projected spend).

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

The Financial Regulations state the responsibility for ensuring Revenue Budgets are not exceeded lies with the Committee and Chief Officer (Director) and actions are being progressed to bring the Committee back within budget.

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 - 2024/25

Service	Approved Budget	Movements			Revised Budget
	2024/25 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000
Regeneration, Planning & Public Protection	5,718		6		5,724
Property Services	2,639		9		2,648
Roads	3,625				3,625
Environmental	9,271				9,271
Director	141				141
Totals	21,394	0	15	0	21,409

Movement Details

£000

External Resources

0

Inflation

0

Virements

Procurement Team

55,000

AMP remaining budget reallocation

(46,000)

AMP remaining budget reallocation

6,000

15,000

Supplementary Budgets

0

15,000

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

Subjective Heading	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Employee Costs	16,381	16,436	16,444	9	0.05%
Property Costs	4,521	4,481	4,585	104	2.32%
Supplies & Services	4,028	4,028	4,192	164	4.07%
Transport & Plant Costs	2,613	2,613	2,533	(80)	-3.06%
Administration Costs	480	480	598	117	24.45%
Payments to Other Bodies	6,587	6,601	6,707	106	1.60%
Other Expenditure	1,882	1,882	1,881	(1)	-0.05%
Income	(15,098)	(15,112)	(15,363)	(251)	1.66%
TOTAL NET EXPENDITURE	21,394	21,409	21,577	168	0.78%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,394	21,409	21,577	168	0.78%

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

Objective Heading	Approved Budget 2024/25 £000	Revised Budget 2024/25 £000	Projected Out-turn 2024/25 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Regeneration, Planning & Public Protection	5,718	5,724	5,566	(158)	-2.77%
Property Services	2,640	2,649	2,580	(69)	-2.61%
Roads Services	3,625	3,625	3,822	197	5.43%
Environmental Services	9,271	9,271	9,461	190	2.05%
Director	141	141	149	8	5.69%
TOTAL NET EXPENDITURE	21,394	21,409	21,577	168	0.78%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,394	21,409	21,577	168	0.78%

ENVIRONMENT AND REGENERATION COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

<u>Out Turn</u> <u>2023/24</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2024/25</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>30-Jun-24</u> <u>£000</u>	<u>Projection</u> <u>2024/25</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							
2,566	Public Protection	Employee Costs	2,299	554	520	2,255	(44)	(1.91)%
872	Planning Overall	Employee Costs	838	184	142	871	33	3.94%
446	Economic Development - Admin	Employee Costs	620	136	127	489	(131)	(21.13)%
							(142)	
45	CCTV Provision	Property Costs	67	1	1	45	(22)	(32.84)%
							(22)	
0	RI Core	PTOB	23	5	0	0	(23)	(100.00)%
							(23)	
(509)	Planning - Sales, fees & charges	Income	(505)	(126)	(94)	(443)	62	(12.28)%
(211)	Public Protection income	Income	(126)	(32)	(24)	(149)	(23)	18.25%
							39	
	PROPERTY SERVICES							
522	Technical Services	Employee Costs	530	116	99	446	(84)	(15.85)%
441	Physical Assets	Employee Costs	536	117	97	497	(39)	(7.28)%
351	Procurement	Employee Costs	412	90	66	381	(31)	(7.52)%
							(154)	
(562)	Technical Services - Income from Capital	Income	(541)	0	0	(488)	53	(9.80)%
							53	

ENVIRONMENT AND REGENERATION COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

<u>Out Turn</u> <u>2023/24</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2024/25</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>30-Jun-24</u> <u>£000</u>	<u>Projection</u> <u>2024/25</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
	ENVIRONMENTAL SERVICES							
6,103	Env Services - Front Line	Employee Costs	5,572	1,376	1,209	5,549	(23)	(0.41)%
348	Env Services - Grounds Maintenance Seasonals	Employee Costs	437	187	142	352	(85)	(19.45)%
1,522	Env Services - Mangement	Employee Costs	1,324	290	305	1,401	77	5.82%
							(31)	
58	Pottery Street - Security	Property Costs	35	9	22	55	20	57.14%
							20	
199	Env Services Overall - Agency Costs	Administration Costs	20	5	37	134	114	570.00%
							114	
494	RTS - Dry Mixed Recycling	PTOB	463	83	84	486	23	4.97%
20	Waste Strategy - Food Waste	PTOB	57	10	3	19	(38)	(66.67)%
89	Waste Strategy - Non Contract Waste Disposal	PTOB	68	12	19	101	33	48.53%
3,942	Waste Strategy - Residual Waste Contact	PTOB	3,585	645	860	3,663	78	2.18%
							96	
(857)	Refuse Collection - Commercial Waste Income	Income	(932)	(233)	(243)	(979)	(47)	5.04%
(25)	Vehicle Maintenance - EV consumption	Income	0	0	(3)	(30)	(30)	0.00%
(588)	Env Services - Veh Main- Drivers Recharges	Income	(546)	(137)	(127)	(499)	47	(8.61)%
(429)	RTS - Scrap Metal & Tipping	Income	(446)	(112)	(116)	(498)	(52)	11.66%
(394)	Waste Strategy - Green Waste	Income	(428)	(407)	(394)	(402)	26	(6.07)%
							(56)	

ENVIRONMENT AND REGENERATION COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

<u>Out Turn</u> <u>2023/24</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2024/25</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>30-Jun-24</u> <u>£000</u>	<u>Projection</u> <u>2024/25</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
1,260	ROADS Roads Client	Employee Costs	1,203	264	303	1,338	52	4.32%
							52	
88	Roads Client - Other Property Costs	Property Costs	45	11	12	75	30	66.67%
							30	
998	Roads Operations Unit - Materials	Supplies and Services	912	49	230	933	21	2.30%
							21	
291	Roads Operations - External Hires	Transport	286	37	63	257	(29)	(10.14)%
							(29)	
(2,094)	Roads Operations Unit - Schedule of Rates	Income	(2,256)	(287)	(225)	(2,163)	93	(4.12)%
(272)	Roads Parking - Income (PCNS)	Income	(231)	(58)	(20)	(201)	30	(12.99)%
(73)	Roads Parking - Sales, Fees and Charges	Income	(97)	(24)	(18)	(73)	24	(24.74)%
							147	
	DIRECTOR						0	
							0	
Total Material Variances							115	

EARMARKED RESERVES POSITION STATEMENT

COMMITTEE: Environment & Regeneration

<u>Project</u>	<u>Total Funding</u>	<u>Phased Budget</u>	<u>Actual Spend</u>	<u>Projected Spend</u>	<u>Amount to be Earmarked for 2025/26 & Beyond</u>	<u>Lead Officer Update</u>
	<u>2024/25 £000</u>	<u>2024/25 £000</u>	<u>2024/25 £000</u>	<u>2024/25 £000</u>	<u>£000</u>	
Renewal of Clune Park Area	2,779	15	14	750	2,029	Spent in relation to Clune Park area, covering legal support, security and demolition. Contingency to fund CPO/purchase costs also
Repopulating/Promoting Inverclyde/ Group Action Plan	95	0	0	95	0	Proposals to be developed and reported to Policy & Resources Committee.
City Deal	192	0	0	271	(79)	Funding City Deal delivery and PMO costs, increased cost of borrowing has resulted in a deficit.
COVID - Jobs Recovery	1,429	195	192	783	646	Existing MA & graduate, part contribution to new MA programme and apprentice wage subsidy programme.
Roads Assessments due to parking prohibitions contained in the Transport Scotland Act 2019.	56	0	0	56	0	Detailed assessment work progressing.
Covid - Temporary Business Development Officers	59	12	11	55	4	Staff Member in place funded up to 24/25
Covid Recovery - Business Development Interventions	617	0	22	617	0	Range of interventions agreed at March 2024 E&R Committee.
Covid Recovery - Import/Export/Access to Stock Support	50	0	0	50	0	New proposals to be developed to utilise funding.
Local Plan Preparation	63	0	0	0	63	Smoothing EmR for local plan preparation to be utilised when required.
Business Loans Scotland - SME Activities	230	0	0	100	130	Funding for SME activities
Shared Prosperity Fund/Projects	613	0	0	613	0	Will be spent per in full Project Table of Share Prosperity Fund
Employability Smoothing Reserve	500	0	0	150	350	Support to smooth the impact of the employability saving approved December 2022 and February 2024.
Long Term Plan for Towns	50	0	0	50	0	Local Plan Development to be used when required.
Total Category C to E	6,733	222	239	3,590	3,143	