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<b>Report To:</b>	<b>Environment &amp; Regeneration Committee</b>	<b>Date:</b>	<b>31 October 2024</b>
<b>Report By:</b>	<b>Chief Financial Officer and Director of Environment &amp; Regeneration</b>	<b>Report No:</b>	<b>FIN/60/24/AP/MT</b>
<b>Contact Officer:</b>	<b>Julie Ann Wilson</b>	<b>Contact No:</b>	<b>01475 712636</b>
<b>Subject:</b>	<b>2024/25 Environment &amp; Regeneration Revenue Budget</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 Environment & Regeneration Revenue Budget 2024/25 projected position including details of action being taken to reduce the projected overspend.
- 1.3 The revised 2024/25 Revenue Budget for the Environment and Regeneration Committee is £21,456,450, which excludes Earmarked Reserves. The latest projection is an overspend of £218,000 (1.02%) which is an increase in the over spend of £50,000 since the previous Committee. This movement is mainly due to an increase in the projected under recovery in planning income. More details are provided in section 4 and the appendices.
- 1.4 The Director and his senior management team are reviewing potential virement opportunities to reduce the projected overspend/better align budgets, in addition to which there are on-going reviews of the use of Agency and Winter Gritting costs to identify potential reductions in the expenditure pressures in both these areas.
- 1.5 The CMT have developed a number of savings proposals to address the new pressures on the revenue budget and this includes a number which could impact upon the Committee's budget. It is intended that proposals will be considered by the Full Council in December.

## **2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee notes that the Committee's Revenue Budget is currently projected to overspend in 2024/25 by £218,000 and the action being taken by the Director to reduce the projected overspend in 2024/25 and recurring budget pressures from 2025/26.
- 2.2 It is recommended that the Committee approves the virement proposed in Appendix 5.
- 2.3 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 2024/25 PROJECTED OUT-TURN (£218,000 Overspend – 1.02%)**

The revised 2024/25 budget for Environment and Regeneration, excluding earmarked reserves, is £21,456,450. This is an increase of £62,000 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 £108,000 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 during Autumn 2024.
- b) A projected under recovery of £92,000 in planning income due to a decrease in activity which is an increase in under-recovery of £30,000 since last report.
- c) A shortfall of £21,000 in parking income due to a delay in progressing the TRO for parking permits, and £27,000 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.
- d) A projected net under recovery in Roads Operations Unit income of £82,000.
- e) A projected overspend in residual and non-contract waste disposal partly offset by a projected under spend/over recovery on various other waste streams, giving a net projected over spend of £27,000. 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.
- f) A projected under recovery in Property fees from capital of £53,000.
- g) A projected over recovery of £215,000 against the turnover target across the Directorate, offset by the Property fees from capital noted at 3.3 (f) 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.

#### **3.2 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 £715,000 (25.48% of projected spend).

### **4.0 PROPOSALS**

- 4.1 Appendix 5 contains a virement request to create an agency budget within Refuse Collection to allow the flexibility to cover sickness and holidays at short notice. It is proposed to that this be vired from the Grounds Maintenance Seasonals budget which has a high turnover rate due to the short-term nature of the posts.

## 5.0 IMPLICATIONS

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

<b>SUBJECT</b>	<b>YES</b>	<b>NO</b>
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)		X
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

## 5.2 Finance

A virement request is outlined in appendix 5 and 4.1.

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

The Financial Regulations state the responsibility for ensuring Revenue Budgets are not exceeded lies with the Committee and Chief Officer (Director). The report outlines the actions being progressed to reduce the projected overspend.

## 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	2024/25 £000
Regeneration, Planning & Public Protection	5,718		6			5,724
Property Services	2,639		56			2,695
Roads	3,625					3,625
Environmental	9,271					9,271
Director	141					141
<b>Totals</b>	<b>21,394</b>	<b>0</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>21,456</b>

**Movement Details**

£000

External Resources

0

Inflation

0

Virements

Procurement Team

102,000

AMP remaining budget reallocation

(46,000)

AMP remaining budget reallocation

6,000

62,000

Supplementary Budgets

0

62,000

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

<b>Subjective Heading</b>	<b>Approved Budget 2024/25 £000</b>	<b>Revised Budget 2024/25 £000</b>	<b>Projected Out-turn 2024/25 £000</b>	<b>Projected Over/(Under) Spend £000</b>	<b>Percentage Variance %</b>
Employee Costs	16,381	16,483	16,564	82	0.50%
Property Costs	4,521	4,481	4,538	57	1.27%
Supplies & Services	4,028	4,028	4,420	392	9.73%
Transport & Plant Costs	2,613	2,613	2,625	12	0.46%
Administration Costs	480	480	609	128	26.74%
Payments to Other Bodies	6,587	6,601	6,716	115	1.74%
Other Expenditure	1,822	1,822	1,821	(1)	-0.05%
Income	(15,038)	(15,052)	(15,619)	(567)	3.77%
<b>TOTAL NET EXPENDITURE</b>	<b>21,394</b>	<b>21,456</b>	<b>21,674</b>	<b>218</b>	<b>1.02%</b>
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>21,394</b>	<b>21,456</b>	<b>21,674</b>	<b>218</b>	<b>1.02%</b>

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

<b>Objective Heading</b>	<b>Approved Budget 2024/25 £000</b>	<b>Revised Budget 2024/25 £000</b>	<b>Projected Out-turn 2024/25 £000</b>	<b>Projected Over/(Under) Spend £000</b>	<b>Percentage Variance %</b>
Regeneration, Planning & Public Protection	5,718	5,724	5,628	(96)	-1.68%
Property Services	2,640	2,696	2,640	(56)	-2.08%
Roads Services	3,625	3,625	3,828	203	5.60%
Environmental Services	9,271	9,271	9,430	159	1.71%
Director	141	141	149	8	5.69%
<b>TOTAL NET EXPENDITURE</b>	<b>21,394</b>	<b>21,456</b>	<b>21,674</b>	<b>218</b>	<b>1.02%</b>
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>21,394</b>	<b>21,456</b>	<b>21,674</b>	<b>218</b>	<b>1.02%</b>

**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>31-Aug-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>
	<b>REGENERATION, PLANNING &amp; PUBLIC PROTECTION</b>							
2,566	Public Protection	Employee Costs	2,299	907	880	2,236	(63)	(2.74)%
872	Planning Overall	Employee Costs	838	330	319	880	42	5.01%
446	Admin	Employee Costs	623	246	219	491	(132)	(21.19)%
							<b>(153)</b>	
45	Public Protection - CCTV	Property Costs	67	31	12	45	(22)	(32.84)%
							<b>(22)</b>	
0	RI Employee Core	PTOB	23	9	0	0	(23)	(100.00)%
							<b>(23)</b>	
(509)	Planning sales, fees & charges	Income	(505)	(210)	(143)	(422)	83	(16.44)%
(583)	Comm. Ind. & Misc. Properties	Income	(596)	(290)	(251)	(571)	25	(4.19)%
							<b>108</b>	
	<b>PROPERTY SERVICES</b>							
522	Technical Services	Employee Costs	530	197	168	466	(64)	(12.08)%
441	Physical Assets	Employee Costs	536	200	165	476	(60)	(11.19)%
418	Central Repairs	Employee Costs	359	134	139	380	21	5.85%
351	Procurement	Employee Costs	412	154	119	361	(51)	(12.38)%
							<b>(154)</b>	
(562)	Technical Services - Income from Capital	Income	(541)	(180)	0	(488)	53	(9.80)%
							<b>53</b>	
	<b>ENVIRONMENTAL SERVICES</b>							
6,103	Env Services - Front Line	Employee Costs	5,572	1,958	2,072	5,522	(50)	(0.90)%
348	Env Services - Grounds Maintenance Seasonals	Employee Costs	437	281	217	367	(70)	(16.02)%
1,522	Env Services - Management	Employee Costs	1,324	500	538	1,413	89	6.72%
							<b>(31)</b>	
58	Env Services - Pottery Street - Security	Property Costs	35	15	22	55	20	57.14%
							<b>20</b>	

**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>31-Aug-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>
14	Env Services - Overall - External Hires	Transport	51	21	14	31	(20) <b>(20)</b>	(39.22)%
199	Env Services - Overall - Agency Costs	Administration Costs	20	8	56	128	108 <b>108</b>	540.00%
20	Env Services - Waste Strategy - Food Waste	PTOB	57	24	6	18	(39)	(68.42)%
89	Env Services - Waste Strategy - Non Contract Waste Disposal	PTOB	68	22	50	127	59	86.76%
3,942	Env Services - Waste Strategy - Residual Waste Contact	PTOB	3,585	1,542	1,629	3,683	98 <b>118</b>	2.73%
(857)	Env Services - Refuse Collection- Commercial Waste Income	Income	(932)	(466)	(487)	(971)	(39)	4.18%
(588)	Env Services - Veh Main- Drivers Recharges	Income	(546)	(273)	(204)	(499)	47	(8.61)%
(429)	Env Services - RTS- Scrap Metal & Tipping	Income	(446)	(186)	(233)	(517)	(71)	15.92%
0	Env Services - Grounds Maintenance - Secondment	Income	0	0	(33)	(27)	(27)	0.00%
(394)	Env Services - Waste Strategy - Green Waste	Income	(428)	(424)	(402)	(402)	26 <b>(64)</b>	(6.07)%
<b>ROADS</b>								
1,260	Roads Client	Employee Costs	1,203	448	503	1,272	69 <b>69</b>	5.74%
88	Roads Client - Other Property Costs	Property Costs	45	19	21	75	30	66.67%
23	Roads Client Rates	Property Costs	46	46	23	23	(23) <b>7</b>	(50.00)%
998	Roads Operations Unit - Materials	Supplies and Services	912	189	453	1,047	135 <b>135</b>	14.80%
291	Roads Operations - External Hires	Transport	286	37	63	257	(29) <b>(29)</b>	(10.14)%
(2,094)	Roads Operations Unit - Schedule of Rates	Income	(2,256)	(510)	(225)	(2,292)	(36)	1.60%
(205)	Roads Parking - Income (PCNS)	Income	(231)	(96)	(55)	(204)	27	(11.69)%
(73)	Roads Parking - Sales, Fees and Charges	Income	(97)	(40)	(32)	(76)	21	(21.65)%
(482)	Roads Client - Sales, Fees and Charges	Income	(306)	(145)	(58)	(326)	(20) <b>(8)</b>	6.54%
<b>Total Material Variances</b>							<b>114</b>	



## EARMARKED RESERVES POSITION STATEMENT

## COMMITTEE: Environment &amp; 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 &amp; Beyond</u>	<u>Lead Officer Update</u>
	<u>2024/25</u> <u>£000</u>	<u>2024/25</u> <u>£000</u>	<u>2024/25</u> <u>£000</u>	<u>2024/25</u> <u>£000</u>	<u>£000</u>	
Renewal of Clune Park Area	2,779	45	54	750	2,029	Spent in relation to Clune Park area, covering legal support, security and demolition. Contingency to fund CPO/purchase costs also. Projected spend for 24/25 will largely depend on progress with demolitions of the church and tenements.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	0	0	0	95	Part funding a 2 year grade 7 post. Grant funding will be utilised in 24/25.
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	325	268	581	848	Existing MA & graduate, part contribution to new MA programme and apprentice wage subsidy programme.
Roads Assessments due to parking prohibitions.	56	0	28	56	0	Detailed assessment work progressing.
Covid - Temporary Business Development Officers	59	20	19	55	4	Staff Member in place funded up to 24/25
Covid Recovery - Business Development Interventions	617	0	32	100	517	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.
SME Activities	230	0	0	100	130	Funding for SME activities
Shared Prosperity Fund/Projects	613	153	314	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	Funding Local Development Plan.
Empty Property Relief	94	0	0	30	64	E&R Business Support transferred from P&R Committee. Expect 3 grants at £10k each to be approved 24/25.
<b>Total Category C to E</b>	<b>6,827</b>	<b>543</b>	<b>715</b>	<b>2,806</b>	<b>4,021</b>	

**ENVIRONMENT AND REGENERATION COMMITTEE****VIREMENT REQUESTS**

<b>Budget Heading</b>	<b>Increase Budget</b>	<b>(Decrease) Budget</b>
	<b>£</b>	<b>£</b>
Grounds Maintenance Seasonals Refuse Collection Agency	50,000	(50,000)
<b>Total</b>	<b>50,000</b>	<b>(50,000)</b>

Notes

1. Virement to create Refuse Collection Agency budget –  
Refuse Collection requires the flexibility that an agency budget provides to cover sickness and holidays at short notice. A virement will be processed from the Grounds Maintenance seasonal budget which has a high turnover due to the short term nature of the posts.