
Report To:	Environment & Regeneration Committee	Date:	13 March 2025
Report By:	Chief Financial Officer and Director of Environment & Regeneration	Report No:	FIN/14/25/AP/MT
Contact Officer:	Julie Ann Wilson	Contact No:	01475 712636
Subject:	2024/25 Environment & Regeneration Revenue Budget		

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.

1.3 The revised 2024/25 Revenue Budget for the Environment and Regeneration Committee is £22,199,020, which excludes Earmarked Reserves. The latest projection is an overspend of £220,000 (0.99%) which is an increase in the overspend of £24,000 since the previous Committee. More details are provided in section 4 and the appendices.

1.4 As part of the 23 January Council Budget decisions, it was agreed to allocate £60,000 towards an Agency staff pressure plus it was noted that the £140-150,000 POPS/WUDS pressure would be funding from a £1.9 million UK Government grant of Extended Producer Responsibility for Packaging from 2025/26.

1.5 In addition to the extra budget referred to in 1.4 above the Director is undertaking a review of the use of Agency staff with a view to reducing the expenditure in this area. – see 3.1 (a).

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 £220,000.

2.2 It is recommended that the Committee note that £200,000 of the projected overspend has been addressed via additional funding from 2025/26, as agreed by the 23 January 2025 Council.

2.3 It is recommended that the Committee notes the on-going review of Agency being progressed by the Director and that where appropriate, an update 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 (£220,000 Overspend – 0.99%)

The revised 2024/25 budget for Environment and Regeneration, excluding earmarked reserves, is £22,199,020. This is an increase of £805,000 from the approved budget, prior to transfers to earmarked reserves., including allocation of funding for the 2024/25 pay award. Appendix 1 gives details of this budget movement.

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

- a) Projected overspend on Environmental Services agency costs of £52,000 to cover sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime. The Director is undertaking a review of the use of Agency employees with a view to reducing expenditure in this area. A budget pressure of £60,000 to address this matter has been approved from 2025/26 in addition to the £50,000 virement previously identified by the service.
- b) A projected under recovery of £87,000 in planning income due to a decrease in activity which is an increase in the under recovery of £10,000 since the last report.
- c) A shortfall of £22,000 in parking income due to a delay in progressing the TRO for business parking permits, and £37,000 shortfall PCN income due to less activity.
- d) A projected net under recovery in Roads Operations Unit income of £53,000.
- 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 overspend of £114,000. Due to new legislation, waste upholstered domestic materials and mattresses must be disposed of separately from the general waste. There is currently no contract for this, but negotiations are taking place. Currently a higher price per tonne is being incurred leading to a projected overspend of £140,000-150,000. It is proposed to fund this pressure from the estimated £1.9million due to be received from the UK Government in 2025/26 arising from the Extended Producer Responsibility for Packaging obligations. A report will be presented to Committee in due course.
- f) A projected overspend of £134,000 across the Directorate on non-routine vehicle maintenance. This is due to an increase the price of materials and sub-contractors, and a high number of one-off repairs to vehicles that are due for replacement.
- g) A projected under recovery in Property fees from capital of £61,000 which partly offsets the over recovery in the turnover target noted at 3.1 (h).
- h) A projected over recovery of £365,000 against the turnover target across the Directorate, offset by the Property fees from capital noted at 3.1 (g) and the agency costs noted at 3.1 (a).

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 £1,001,000 (59.93% of projected spend).

4.0 PROPOSALS

- 4.1 Committee to note that the 25/26 budget will include increased funding for waste upholstered domestic materials, agency staff and winter gritting as agreed by the 23 January Council.

5.0 IMPLICATIONS

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 Plan/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
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).

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	161	6	63	5,948
Property Services	2,639	101	57		2,797
Roads	3,625	76			3,701
Environmental	9,271	336			9,607
Director	141	5			146
Totals	21,394	679	63	63	22,199

Movement Details

External Resources

£000
0

Inflation

Pay Inflation 24/25

679,570
679,570

Virements

Procurement Team funded from HSCP/Education & Workstream Saving
 AMP remaining budget reallocation to ICT
 Grounds Maintenance Seasonals
 Refuse Collection Agency

102,000
(40,000)
(50,000)
50,000
62,000

Supplementary Budgets

No-one Left Behind GRG

63,000
63,000
804,570

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	17,175	17,296	121	0.70%
Property Costs	4,521	4,481	4,570	89	1.99%
Supplies & Services	4,028	4,028	4,790	762	18.92%
Transport & Plant Costs	2,613	2,613	2,699	86	3.29%
Administration Costs	480	530	603	72	13.66%
Payments to Other Bodies	6,587	6,601	6,825	224	3.39%
Other Expenditure	1,822	1,822	1,832	10	0.55%
Income	(15,038)	(15,052)	(16,196)	(1,144)	7.60%
TOTAL NET EXPENDITURE	21,394	22,199	22,419	220	0.99%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,394	22,199	22,419	220	0.99%

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	5,948	5,750	(198)	-3.32%
Property Services	2,640	2,797	2,699	(98)	-3.50%
Roads Services	3,625	3,701	3,950	249	6.73%
Environmental Services	9,271	9,607	9,866	259	2.70%
Director	141	146	154	8	5.49%
TOTAL NET EXPENDITURE	21,394	22,199	22,419	220	0.99%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,394	22,199	22,419	220	0.99%

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>31/12/2024</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	2,402	1,632	1,555	2,291	(111)	(4.62)%
872	Planning Overall	Employee Costs	871	592	612	840	(31)	(3.56)%
446	Admin	Employee Costs	645	438	369	506	(139)	(21.55)%
							(281)	
0	RI Core	PTOB	23	5	0	0	(23)	(100.00)%
							(23)	
(509)	Planning sales, fees & charges	Income	(505)	(379)	(293)	(426)	79	(15.64)%
(583)	Comm. Ind. & Misc. Properties	Income	(596)	(521)	(454)	(563)	33	(5.54)%
							112	
	PROPERTY SERVICES							
522	Technical Services	Employee Costs	546	371	318	474	(72)	(13.19)%
441	Physical Assets	Employee Costs	554	376	312	467	(87)	(15.70)%
351	Procurement	Employee Costs	427	290	239	381	(46)	(10.77)%
							(205)	
(562)	Technical Services - Income from Capital	Income	(541)	(361)	0	(480)	61	(11.28)%
							61	
	ENVIRONMENTAL SERVICES							
1,522	Env Services - Management	Employee Costs	1,381	938	1,002	1,471	90	6.52%
							90	
58	Env Services - Pottery Street - Security	Property Costs	35	26	46	65	30	85.71%
47	Env Services - Pottery Street - Rates	Property Costs	76	57	50	51	(25)	(32.89)%
28	Env Services - RTS - Pest Extermination	Property Costs	0	0	16	20	20	
							25	
14	Env Services - Overall - External Hires	Transport	51	38	15	31	(20)	(39.22)%
							(20)	
253	Env Services - Overall non-routine maintenance	Transport	214	161	193	276	62	28.97%
							62	

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>31/12/2024</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>
199	Env Services - Overall - Agency Costs	Administration Costs	70	53	67	122	52	74.29%
							52	
494	Env Services - RTS Dry Mixed Recycling	PTOB	463	306	282	441	(22)	(4.75)%
20	Env Services - Waste Strategy - Food Waste	PTOB	57	32	12	19	(38)	(66.67)%
89	Env Services - Waste Strategy - Non Contract Waste Disposal	PTOB	68	41	90	146	78	114.71%
3,942	Env Services - Waste Strategy - Residual Waste Contact	PTOB	3,585	2,653	2,820	3,799	214	5.97%
							232	
(429)	Env Services - RTS- Scrap Metal & Tipping	Income	(446)	(335)	(393)	(573)	(127)	28.48%
0	Env Services - Grounds Maintenance	Income	0	0	(75)	(67)	(67)	
(394)	Env Services - Waste Strategy Green Waste	Income	(428)	(428)	(403)	(402)	26	(6.07)%
							(168)	
	ROADS							
774	Roads Operations	Employee Costs	732	497	436	699	(33)	(4.51)%
							(33)	
88	Roads Client - Other Property Costs	Property Costs	45	34	57	75	30	66.67%
23	Roads Client Rates	Property Costs	46	46	24	23	(23)	(50.00)%
							7	
998	Roads Operations Unit - Materials	Supplies and Services	913	533	755	935	22	2.41%
119	Roads Client - Flooding/ Drainage	Supplies and Services	56	42	63	76	20	35.71%
	Roads EV Charging	Supplies and Services	0	0	30	30	30	
							72	
77	Roads Operations - Non Routine Maintenance	Transport	24	18	70	81	57	237.50%
							57	
(97)	Roads Operations Unit -Non Client Involvement	Income	(26)	(16)	(32)	(60)	(34)	130.77%
(2,094)	Roads Operations Unit - Schedule of Rates	Income	(2,256)	(1,347)	(1,353)	(2,182)	74	(3.28)%
(205)	Roads Parking - Income (PCNS)	Income	(231)	(173)	(112)	(194)	37	(16.02)%
(73)	Roads Parking - Sales, Fees and Charges	Income	(97)	(73)	(56)	(75)	22	(22.68)%
							99	
Total Material Variances							139	

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	105	107	400	2,379	Spend 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 on demolitions of the school, church and phase 1 tenements.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	0	0	0	95	Funding a 2 year grade 7 post. External funding will be utilised in 24/25.
City Deal	492	0	0	231	261	Funding City Deal delivery and PMO costs, increased cost of borrowing has resulted in a deficit. £300k from reserves required, approved 05/12/24 full Council.
COVID - Jobs Recovery	1,429	585	150	150	1,279	Existing MA & graduate, part contribution to new MA programme and apprentice wage subsidy programme. There may be a reduction the expenditure due to the need to utilise external funding in 24/25.
Roads Assessments due to parking prohibitions.	56	56	38	56	0	Detailed assessment work progressing.
Covid - Temporary Business Development Officers	59	36	31	55	4	Staff Member in place funded up to 24/25
Covid Recovery - Business Development Interventions	567	0	61	100	467	Range of interventions agreed at March 2024 E&R Committee. £50k write back approved 23/01/25 at full Council.
Local Plan Preparation	63	0	0	0	63	Smoothing EmR for local plan preparation to be utilised when required.
SME Activities	230	0	0	0	230	Funding for SME activities. No planned activity 24/25.
Shared Prosperity Fund/Projects	613	459	613	613	0	Spent in full to fund various Communities & Place, Local Business, People & Skills & Multiply projects.
Employability Smoothing Reserve	500	0	0	0	500	Support to smooth the impact of the employability saving approved December 2022 and February 2024. External funding has supported pressure in 24/25. Pressure will occur from 25/26.
Long Term Plan for Towns	50	0	20	50	0	Capacity funding for Towns Fund. Funding consultants costs and part year Towns Fund Manager post.
Empty Property Relief	94	0	0	15	79	E&R Business Support transferred from P&R Committee. Expect grants of £15k to be approved 24/25.
Total Category C to E	7,027	1,241	1,021	1,670	5,357	