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**Report To:** Environment & Regeneration Committee      **Date:** 27 October 2022

**Report By:** Interim Director Finance & Corporate Governance and Interim Director Environment & Regeneration      **Report No:** FIN/60/22/AP/JAW

**Contact Officer:** Julie Ann Wilson      **Contact No:** 01475 712636

**Subject:** 2022/23 Revenue Budget as at 31 August 2022

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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 2022/23 Revenue Budget projected position as at 31 August 2022.
- 1.3 The revised 2022/23 Revenue Budget for the Environment and Regeneration Committee is £21,457,270, which excludes Earmarked Reserves. The latest projection is an overspend of £37,280 (0.17%) which is a reduction of £246,000 since the Period 3 report and is largely due to an increase in projected turnover savings. More details are provided in section 3 and the appendices.

## 2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note that the Revenue Budget is currently projected to overspend in 2022/23 by £37,280 based on figures as at 31 August 2022.
- 2.2 It is recommended that the Committee note that the Interim Director Environment & Regeneration will continue to monitor budgets closely with the intention of bringing the 2022/23 budget in on target.
- 2.3 It is recommended that the Committee approve the virement request in Appendix 5.

**Alan Puckrin**  
Interim Director Finance &  
Corporate Governance

**Stuart Jamieson**  
Interim Director Environment &  
Regeneration

### 3.0 BACKGROUND AND CONTEXT

3.1 The revised 2022/23 budget for Environment and Regeneration, excluding earmarked reserves, is £21,457,270. This is an increase of £299,000 from the approved budget, prior to transfers to earmarked reserves. Appendix 1 gives details of this budget movement.

3.2 At Period 3 the Committee was projecting a £286,000 overspend and the Interim Director Environment and Regeneration undertook to take action to bring projections back within budget.

### 3.3 2022/23 PROJECTED OUT-TURN (£37,280 Overspend- 0.17%)

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

- a) £197,000 shortfall in Planning Income. This is a combination of historical trends and current staffing shortages. £110,000 was allocated as part of the 2022/23 Budget to reduce the income target but the shortfall in income remains in line with 2021/22
- b) £218,000 shortfall in Burials and Cremation Income. This is after the allocation of £50,000 to reduce the income target as part of the 2022/23 Budget
- c) £53,000 shortfall in Trade Waste Income which is in line with previous years. Trade Waste is being reviewed as part of the Delivering Differently Programme with a report due from officers later in 2022/23.
- d) A projected underspend in the Workforce Development Fund of £58,000 due to the availability of external grants.
- e) A projected over-recovery of £365,000 against the turn-over target due to delays in recruiting certain posts.

The above figures exclude the significant increase in utility costs which are being managed and reported in 2022/23 via the Policy & Resources Committee.

### 3.4 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, ie excluding strategic funding models. Spend to date on these operational Earmarked Reserves is £722,000 (21.52% of projected spend). A comprehensive review of all earmarked reserves is being undertaken as part of the 2023/25 Budget.

### 4.0 PROPOSALS

4.1 The above figures for 2022/23 exclude any financial implications which may arise from the Council's waste contract an update on which is included in the private part of the Committee's agenda.

4.2 Appendix 5 contains two virement requests for Committee approval.

### 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

Good progress has been made in reducing the projected overspend and officers will continue to take action where possible to bring projections back within budget.

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 - 2022/23****PERIOD 5: 1st April 2022 - 31st August 2022**

Service	Approved Budget	Movements			Revised Budget	
	2022/23 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2022/23 £000
Regeneration, Planning & Public Protection	6,602	4	8		(265)	6,349
Property Services	2,124	55	(36)			2,143
Roads & Environmental	12,543	271	(3)			12,811
Corporate Director	154		(1)			153
Totals	<u>21,424</u>	<u>330</u>	<u>(32)</u>	<u>0</u>	<u>(265)</u>	<u>21,457</u>

**Movement Details**

£000

**External Resources****Inflation**

Roads Client - external power	49,140
Roads	50,000
Property	50,000
Vehicle Maintenance - Fuel expenditure	200,000
Vehicle Maintenance - Fuel income	(200,000)
Fuel	181,430
	<u>330,570</u>

**Virements**

AMP	(46,000)
CCTV Contract from AMP	6,000
Insurance	24,250
Rankin Park to Communities	(15,740)
	<u>(31,490)</u>

**Supplementary Budgets**0299,080

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTSUBJECTIVE ANALYSISPERIOD 5: 1st April 2022 - 31st August 2022

Subjective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend	Percentage Variance %
Employee Costs	16,945	16,838	16,588	(250)	-1.48%
Property Costs	3,801	3,803	3,820	17	0.45%
Supplies & Services	4,133	4,237	4,886	649	15.32%
Transport & Plant Costs	2,391	2,810	2,966	156	5.55%
Administration Costs	485	467	679	212	45.41%
Payments to Other Bodies	6,608	6,699	6,578	(121)	-1.80%
Other Expenditure	1,909	1,909	1,901	(8)	-0.42%
Income	(14,847)	(15,040)	(15,658)	(618)	4.11%
<b>TOTAL NET EXPENDITURE</b>	<b>21,424</b>	<b>21,723</b>	<b>21,760</b>	<b>37</b>	<b>0.17%</b>
Transfer to Earmarked Reserves *	0	(265)	(265)	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>21,424</b>	<b>21,458</b>	<b>21,495</b>	<b>37</b>	<b>0.17%</b>

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTOBJECTIVE ANALYSISPERIOD 5: 1st April 2022 - 31st August 2022

Objective Heading	Approved Budget 2022/23 £000	Revised Budget 2022/23 £000	Projected Out-turn 2022/23 £000	Projected Over/(Under) Spend	Percentage Variance %
Regeneration, Planning & Public Protection	6,602	6,614	6,617	3	0.05%
Property Services	2,124	2,144	2,053	(91)	-4.24%
Roads & Environmental	12,543	12,811	13,084	273	2.13%
Corporate Director	154	154	6	(148)	-96.01%
<b>TOTAL NET EXPENDITURE</b>	<b>21,424</b>	<b>21,723</b>	<b>21,760</b>	<b>37</b>	<b>0.17%</b>
Transfer to Earmarked Reserves *	0	(265)	(265)	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>21,424</b>	<b>21,458</b>	<b>21,495</b>	<b>37</b>	<b>0.17%</b>

**ENVIRONMENT AND REGENERATION COMMITTEE****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5: 1st April 2022 - 31st August 2022**

<u>Out Turn</u> <u>2021/22</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2022/23</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Aug-22</u> <u>£000</u>	<u>Projection</u> <u>2022/23</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>							
905	Planning Overall	Employee Costs	946	360	239	796	(150)	(15.86)%
							<b>(150)</b>	
82	Comm. Ind. & Misc. Properties CPII	Property Costs	44	18	38	65	21	47.73%
							<b>21</b>	
0	RI Employee Core CPEZ	PTOB	23	18	0	0	(23)	(100.00)%
58	Training CPEG	PTOB	73	18	0	15	(58)	(79.45)%
							<b>(81)</b>	
(422)	Planning sales, fees & charges	Income	(627)	(261)	(183)	(430)	197	(31.42)%
							<b>197</b>	
	<b>PROPERTY SERVICES</b>							
937	BSU	Employee Costs	988	376	333	948	(40)	(4.05)%
754	Technical Services	Employee Costs	913	348	269	794	(119)	(13.03)%
							<b>(159)</b>	
33	Office Accommodation - Water	Property Costs	61	61	12	38	(23)	(37.70)%
289	Office Accommodation - Rates	Property Costs	415	415	385	385	(30)	(7.23)%
							<b>(23)</b>	
114	Technical Services - Agency Costs	Administration Costs	0	0	37	80	80	
							<b>80</b>	
	<b>ROADS &amp; ENVIRONMENTAL</b>							
1,425	Env Services - Street Cleaning	Employee Costs	1,480	569	500	1,442	(38)	(2.57)%
882	Env Services - Vehicle Maintenance	Employee Costs	1,010	395	255	937	(73)	(7.23)%
1,474	Env Services - Management	Employee Costs	1,303	512	572	1,356	53	4.07%
222	Env Services - Civic Amenities	Employee Costs	180	71	59	211	31	17.22%
							<b>(27)</b>	
41	Roads Parking Electricity	Property Costs	8	2	9	42	34	425.00%
56	Env Services - Grounds Maintenance	Property Costs	74	25	14	52	(22)	(29.73)%
61	Env Services - Pottery Street	Property Costs	35	14	9	61	26	74.29%
							<b>38</b>	

**ENVIRONMENT AND REGENERATION COMMITTEE****REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 5: 1st April 2022 - 31st August 2022**

<u>Out Turn</u> <u>2021/22</u> <u>£000</u>	<u>Budget</u> <u>Heading</u>	<u>Subjective Head</u>	<u>Budget</u> <u>2022/23</u> <u>£000</u>	<u>Proportion</u> <u>of Budget</u> <u>£000</u>	<u>Actual to</u> <u>31-Aug-22</u> <u>£000</u>	<u>Projection</u> <u>2022/23</u> <u>£000</u>	<u>(Under)/Over</u> <u>Budget</u> <u>£000</u>	<u>Percentage</u> <u>Variance</u> <u>%</u>
1,018	Roads Operations Unit - Materials	Supplies and Services	1,005	208	428	1,325	320	31.84%
43	Env Services - Crematorium	Supplies and Services	26	11	25	52	26	100.00%
							<b>346</b>	
272	Roads Operations - External Hires	Transport	286	82	97	378	92	32.17%
63	Roads Operations - Non - Routine	Transport	24	10	25	73	49	204.17%
351	Env Services - Overall - Fuel	Transport	204	125	174	236	32	15.69%
							<b>173</b>	
90	Env Services - Ref Coll - Agency Costs	Administration Costs	(14)	(6)	65	86	72	
							<b>72</b>	
454	Env Services - Waste Strategy - DMR	PTOB	463	193	152	512	49	10.58%
119	Env Services - Waste Strategy - Green Waste	PTOB	80	53	54	103	23	28.75%
27	Env Services - Waste Strategy - Food Waste	PTOB	53	27	4	22	(31)	(58.49)%
							<b>41</b>	
(763)	Roads Operations Unit - Recharges at Dayworks	Income	(580)	(131)	(206)	(632)	(52)	8.97%
(2,039)	Roads Operations Unit - Recharges at Schedule of Rates	Income	(2,256)	(510)	(423)	(2,555)	(299)	13.25%
(278)	Roads Parking - Income (PCNS)	Income	(231)	(96)	(62)	(197)	34	(14.72)%
(7)	Roads Parking - Other Income	Income	(2)	(1)	(7)	(24)	(22)	1100.00%
(232)	Env Services - Burial Grnds - Interment Income	Income	(262)	(105)	(58)	(227)	35	(13.36)%
(79)	Env Services - Burial Grnds - Sale of Lairs	Income	(111)	(44)	(23)	(75)	36	(32.43)%
(614)	Env Services - Crem - Cremations Income	Income	(743)	(260)	(195)	(596)	147	(19.78)%
(658)	Env Services - Refuse Collection- Trade Income	Income	(649)	(227)	(205)	(596)	53	(8.17)%
(23)	Env Services - Veh Main- Tyre Recharges	Income	0	0	(10)	(24)	(24)	0.00%
(69)	Env Services - RTS- Scrap Metal	Income	(31)	(13)	(26)	(86)	(55)	177.42%
(340)	Env Services - RTS- Tipping charges	Income	(298)	(124)	(129)	(346)	(48)	16.11%
(348)	Env Services - Waste Strategy Green Waste	Income	(370)	(370)	(347)	(347)	23	(6.22)%
(268)	Roads - Sales Fees and Charges	Income	(232)	(114)	(114)	(332)	(100)	43.10%
							<b>(272)</b>	
0	<b>CORPORATE DIRECTOR</b> CORPORATE DIRECTOR	Employee Costs	148	56	0	0	(148)	(100.00)%
							<b>(148)</b>	
<b>Total Material Variances</b>							<b>108</b>	

EARMARKED RESERVES POSITION STATEMENT

Appendix 4

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>P5</u>	<u>P5</u>	<u>Spend</u>	<u>Earmarked for</u>	
	<u>2022/23</u>	<u>2022/23</u>	<u>2022/23</u>	<u>2022/23</u>	<u>2023/24</u>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>&amp; Beyond</u>	
					<u>£000</u>	
Renewal of Clune Park Area	2,417	0	80	120	2,297	Spend to date relates to legal support and security costs. Projection based in line with prior year spend. Tender awaited for external legal advice.
Youth Employment	180	40	74	180	0	MA programme salaries and training programme ongoing. Full
Repopulating/Promoting Inverclyde/ Group Action Plan	257	12	128	128	129	Action plan has not been forthcoming from the repopulation group - Report to come to CMT on options for unspent balance.
Employability Initiatives	133	0	76	133	0	MA programme salaries and training programme ongoing. Full spend anticipated 22/23.
Climate Change	231	0	21	50	181	Report to ERR Jan 22 with commitments - £50k 22/23 for project development, balance towards net zero.
Resilience & Insurance Claims - Black Start Equipment	23	0	0	23	0	Tenders have been returned for the 6 week project. Full spend anticipated in 2022/23.
Roadside Trees	31	5	11	31	0	Ongoing programme of works.
COVID - Jobs Recovery	3,077	0	191	1,877	1,200	Existing MA, Kickstart, graduate, Future Jobs, part contribution to new MA programme and apprentice wage subsidy
Roads Assessments due to parking prohibitions contained in the Transport Scotland Act 2019.	23	0	0	23	0	Planned programme this financial year.
Omicron Business Support Funding - Parking	170	141	141	170	0	Budget utilised to cover suspension of parking charges to 30/09/22.
Project Resource	150	0	0	150	0	Full spend anticipated. To be used to support the task force and pay for the 3 year membership of the Co-operative Councils Network.
Omicron Business Support Funding - Business Support Initiatives	579	0	0	270	309	Business Support initiatives aimed at retaining employment, workforce development, business development, equipment and infrastructure investment approved at ER Aug 22
SG Employability Grant NOLB	1,035	0	0	200	835	MA programme salaries and training programme
<b>Total Category C to E</b>	<b>8,306</b>	<b>198</b>	<b>722</b>	<b>3,355</b>	<b>4,951</b>	



**ENVIRONMENT AND REGENERATION COMMITTEE****VIREMENT REQUESTS****PERIOD 5: 1st April 2022 - 31st August 2022**

<b>Budget Heading</b>	<b>Increase Budget</b>	<b>(Decrease) Budget</b>
	<b>£</b>	<b>£</b>
Rankin Park to Communities		(15,740)
Communities	15,740	
CCTV Contract from AMP	6,000	
ICT - Hybrid Working	40,000	
AMP		(46,000)
<b>Total</b>	<b>61,740</b>	<b>(61,740)</b>

Note