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|-------------------------|--|--------------------|------------------------|
| Report To: | Environment & Regeneration Committee | Date: | 9 March 2023 |
| Report By: | Interim Director Finance & Corporate Governance and Director Environment & Regeneration | Report No: | FIN/12/23/AP/MT |
| Contact Officer: | Julie Ann Wilson | Contact No: | 01475 712636 |
| Subject: | 2022/23 Environment & Regeneration Revenue Budget at 31 December 2022. | | |

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 Environment & Regeneration Revenue Budget projected position at 31 December 2022.

1.3 The revised 2022/23 Revenue Budget for the Environment and Regeneration Committee is £23,274,450, which excludes Earmarked Reserves. The latest projection is an underspend of £286,000 (1.23%) which is an increase in the underspend of £154,000 since the Period 7 report and is largely due to an increase in projected turnover savings and projected income, partly offset by an increase in central repairs. More details are provided in section 3 and the appendices.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee notes that the Committee's Revenue Budget is currently projected to underspend in 2022/23 by £286,000 based on figures at 31 December 2022.

Alan Puckrin
Interim Director Finance & Corporate Governance

Stuart Jamieson
Director Environment & Regeneration

3.0 BACKGROUND AND CONTEXT

3.1 The revised 2022/23 budget for Environment and Regeneration, excluding earmarked reserves, is £23,274,450. This is an increase of £2,116,000 from the approved budget, prior to transfers to earmarked reserves. Appendix 1 gives details of this budget movement.

3.2 2022/23 PROJECTED OUT-TURN (£286,000 Underspend – 1.23%)

The reason for the movement of £154,000 from Period 7 is due to an increase in turnover and projected income, partly offset by an increase in central repairs. The main variances contributing to the projected net underspend are listed below.

- a) £198,000 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. A budget pressure of £125,000 has been approved from 2023/24.
- b) £95,000 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. A further budget pressure of £125,000 has been approved from 2023/24.
- c) £60,000 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 from officers included elsewhere on this agenda.
- d) A projected underspend in the Workforce Development Fund of £58,000 due to the availability of external grants. The full budget has been taken as a saving from 2023/24.
- e) A projected underspend in Tourism grants of £33,000 due to decrease in the number of applications. A saving of £24,000 has been approved from 2023/24.
- f) £84,000 shortfall in Parking income and £30,000 shortfall PCN income due to less activity following reintroduction of charging.
- g) Projected over recoveries in waste across scrap metal and tipping charges £140,000.
- h) Projected overspend in Refuse Collection agency costs £135,000 partly offset by a reduction overtime and turnover from vacant posts.
- i) Projected overspend in central repairs of £100,000 due to an increase in works carried out.
- j) A projected over recovery of £742,000 against the turnover 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.

3.3 EARMARKED RESERVES

Appendix 4 gives an update on the operational Earmarked Reserves, ie excluding strategic funding models. Spend to 31 December 2022 on these operational Earmarked Reserves is £1,624,000 (45.5% of projected spend). A comprehensive review of all earmarked reserves was undertaken as part of the 2023/25 Budget, with a number of write backs approved in December 2022.

4.0 PROPOSALS

4.1 The above figures for 2022/23 include the additional cost in 2022/23 of £639,000 vired from the inflation contingency in relation to the increase in the Council's waste contract.

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 - 2022/23**PERIOD 9: 1st April 2022 - 31st December 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 | 244 | 1 | | (265) | 6,582 |
| Property Services | 2,124 | 199 | (34) | 75 | | 2,364 |
| Roads & Environmental | 12,543 | 1,624 | 3 | | | 14,170 |
| Corporate Director | 154 | 4 | 0 | | | 158 |
| Totals | 21,424 | 2,071 | (30) | 75 | (265) | 23,275 |

Movement Details

£000

External Resources

0

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 |
| Waste contract increase | 639,000 |
| Pay inflation | 1,102,830 |

2,072,400

Virements

| | |
|----------------------------|----------|
| AMP | (46,000) |
| CCTV Contract from AMP | 6,000 |
| Insurance | 24,250 |
| Rankin Park to Communities | (15,740) |
| | (31,490) |

Supplementary Budgets

| | |
|-----------------------|-----------|
| LHEES redetermination | 75,000 |
| | 75,000 |
| | 2,115,910 |

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS****PERIOD 9: 1st April 2022 - 31st December 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 | 17,941 | 17,202 | (739) | -4.12% |
| Property Costs | 3,801 | 3,899 | 4,018 | 119 | 3.05% |
| Supplies & Services | 4,133 | 4,244 | 4,913 | 669 | 15.76% |
| Transport & Plant Costs | 2,391 | 2,844 | 2,808 | (36) | -1.27% |
| Administration Costs | 485 | 469 | 765 | 296 | 63.17% |
| Payments to Other Bodies | 6,608 | 7,338 | 7,272 | (65) | -0.89% |
| Other Expenditure | 1,909 | 1,879 | 1,859 | (20) | -1.06% |
| Income | (14,847) | (15,074) | (15,584) | (510) | 3.38% |
| TOTAL NET EXPENDITURE | 21,424 | 23,539 | 23,254 | (286) | -1.21% |
| Transfer to Earmarked Reserves * | 0 | (265) | (265) | 0 | 0.00% |
| TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES | 21,424 | 23,274 | 22,989 | (286) | -1.23% |

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****OBJECTIVE ANALYSIS****PERIOD 9: 1st April 2022 - 31st December 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 | 6,847 | 6,651 | (196) | -2.86% |
| Property Services | 2,124 | 2,365 | 2,397 | 32 | 1.35% |
| Roads & Environmental | 12,543 | 14,170 | 14,200 | 30 | 0.21% |
| Corporate Director | 154 | 158 | 6 | (152) | -96.11% |
| TOTAL NET EXPENDITURE | 21,424 | 23,539 | 23,254 | (286) | -1.21% |
| Transfer to Earmarked Reserves * | 0 | (265) | (265) | 0 | 0.00% |
| TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES | 21,424 | 23,274 | 22,989 | (286) | -1.23% |

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2022 - 31st December 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-Dec-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> |
|--|---|------------------------|--|--|---|--|---|--|
| | REGENERATION, PLANNING & PUBLIC PROTECTION | | | | | | | |
| 905 | Planning Overall | Employee Costs | 946 | 651 | 494 | 724 | (222) | (23.47)% |
| 2,472 | Public Protection Overall | Employee Costs | 2,716 | 1,868 | 1,359 | 2,609 | (107) | (3.94)% |
| | | | | | | | (329) | |
| 82 | Comm. Ind. & Misc. Properties | Property Costs | 44 | 41 | 49 | 77 | 33 | 75.00% |
| | | | | | | | 33 | |
| 0 | RI Employee Core | PTOB | 23 | 13 | 0 | 0 | (23) | (100.00)% |
| 58 | Training | PTOB | 73 | 55 | 0 | 15 | (58) | (79.45)% |
| 16 | Tourism | PTOB | 56 | 37 | 11 | 23 | (33) | (58.93)% |
| | | | | | | | (114) | |
| (422) | Planning sales, fees & charges | Income | (627) | (470) | (307) | (429) | 198 | (31.58)% |
| (748) | Comm. Ind. & Misc. Properties | Income | (712) | (534) | (557) | (734) | (22) | 3.09% |
| | | | | | | | 176 | |
| | PROPERTY SERVICES | | | | | | | |
| 937 | BSU | Employee Costs | 1,048 | 721 | 645 | 988 | (60) | (5.73)% |
| 754 | Technical Services | Employee Costs | 956 | 657 | 389 | 806 | (150) | (15.69)% |
| | | | | | | | (210) | |
| 33 | Office Accommodation - Water | Property Costs | 61 | 61 | 24 | 38 | (23) | (37.70)% |
| 289 | Office Accommodation - Rates | Property Costs | 415 | 415 | 385 | 385 | (30) | (7.23)% |
| 1,257 | Central Repairs | Property Costs | 1,313 | 932 | 1,149 | 1,413 | 100 | 7.62% |
| | | | | | | | 47 | |
| 257 | BSU - Direct Purchases | Supplies and Services | 164 | 123 | 277 | 294 | 130 | 79.27% |
| 344 | BSU - Subcontractors | Supplies and Services | 220 | 165 | 251 | 270 | 50 | 22.73% |
| | | | | | | | 180 | |
| 114 | Technical Services - Agency Costs | Administration Costs | 0 | 0 | 65 | 87 | 87 | 0.00% |
| | | | | | | | 87 | |
| (979) | BSU - Rech Int Public Buildings | Income | (810) | (532) | (820) | (850) | (40) | 4.94% |
| (615) | BSU - Income Work won in Tender | Income | (603) | (452) | (207) | (648) | (45) | 7.46% |
| (33) | BSU - Recharges Internal Clients | Income | (145) | (109) | (5) | (190) | (45) | 31.03% |
| (95) | Physical Assets - Rental Income | Income | (101) | (76) | (46) | (78) | 23 | (22.77)% |
| | | | | | | | (130) | |

ENVIRONMENT AND REGENERATION COMMITTEE**REVENUE BUDGET MONITORING REPORT****MATERIAL VARIANCES****PERIOD 9: 1st April 2022 - 31st December 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-Dec-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> |
|--|--|------------------------|--|--|---|--|---|--|
| | ROADS & ENVIRONMENTAL | | | | | | | |
| 1,425 | Env Services - Street Cleaning | Employee Costs | 1,458 | 1,002 | 972 | 1,418 | (40) | (2.74)% |
| 882 | Env Services - Vehicle Maintenance | Employee Costs | 797 | 548 | 487 | 699 | (98) | (12.30)% |
| 1,633 | Env Services - Refuse Collection | Employee Costs | 1,615 | 1,110 | 1,074 | 1,564 | (51) | (3.16)% |
| 1,474 | Env Services - Management | Employee Costs | 1,385 | 952 | 1,024 | 1,428 | 43 | 3.10% |
| 222 | Env Services - Civic Amenities | Employee Costs | 139 | 96 | 115 | 165 | 26 | 18.71% |
| | Env Services - Grounds Maintenance | Employee Costs | 1,633 | 1,123 | 1,144 | 1,552 | (81) | (4.96)% |
| | | | | | | | (201) | |
| 56 | Env Services - Grounds Maintenance - Hire of Skips | Property Costs | 74 | 49 | 20 | 52 | (22) | (29.73)% |
| 61 | Env Services - Pottery Street - Security | Property Costs | 35 | 26 | 34 | 57 | 22 | 62.86% |
| | | | | | | | 0 | |
| 90 | Env Services - Ref Coll - Agency Costs | Administration Costs | 0 | 0 | 108 | 135 | 135 | |
| | | | | | | | 135 | |
| 119 | Env Services - Waste Strategy - Green Waste | PTOB | 80 | 70 | 111 | 124 | 44 | 55.00% |
| 27 | Env Services - Waste Strategy - Food Waste | PTOB | 53 | 42 | 14 | 14 | (39) | (73.58)% |
| | | | | | | | 5 | |
| (278) | Roads Parking - Income (PCNS) | Income | (231) | (173) | (72) | (201) | 30 | (12.99)% |
| (236) | Roads Parking - Sales, Fees and Charges | Income | (236) | (177) | (15) | (152) | 84 | (35.59)% |
| (614) | Env Services - Crem - Cremations Income | Income | (743) | (498) | (455) | (678) | 65 | (8.75)% |
| (658) | Env Services - Refuse Collection- Trade Income | Income | (649) | (454) | (404) | (589) | 60 | (9.24)% |
| (23) | Env Services - Veh Main- Tyre Recharges | Income | 0 | 0 | (18) | (26) | (26) | 0.00% |
| (69) | Env Services - RTS- Scrap Metal | Income | (31) | (23) | (47) | (81) | (50) | 161.29% |
| (340) | Env Services - RTS- Tipping charges | Income | (298) | (224) | (265) | (388) | (90) | 30.20% |
| (348) | Env Services - Waste Strategy Green Waste | Income | (370) | (370) | (348) | (347) | 23 | (6.22)% |
| (268) | Roads - Sales Fees and Charges | Income | (232) | (182) | (153) | (262) | (30) | 12.93% |
| | | | | | | | 66 | |

ENVIRONMENT AND REGENERATION COMMITTEEREVENUE BUDGET MONITORING REPORTMATERIAL VARIANCESPERIOD 9: 1st April 2022 - 31st December 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-Dec-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> |
|--|---|------------------------|--|--|---|--|---|--|
| 0 | CORPORATE DIRECTOR CORPORATE DIRECTOR | Employee Costs | 152 | 0 | 0 | 0 | (152) | (100.00)% |
| | | | | | | | (152) | |
| Total Material Variances | | | | | | | (407) | |

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>P9</u> | <u>P9</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>& Beyond</u> | |
| | | | | | <u>£000</u> | |
| Renewal of Clune Park Area | 2,417 | 0 | 81 | 120 | 2,297 | Spend to date relates to legal support and security costs. Report to E&R Jan 23. |
| Youth Employment | 180 | 74 | 113 | 180 | 0 | MA programme salaries and training programme ongoing. Full spend anticipated 22/23. |
| Repopulating/Promoting Inverclyde/ Group Action Plan | 257 | 112 | 140 | 158 | 99 | NRS £128k & Greenock Central Strategy £30k. Proposal to be developed for £99k balance. |
| Employability Initiatives | 133 | 0 | 84 | 133 | 0 | MA programme salaries and training programme ongoing. Full spend anticipated 22/23. |
| Climate Change | 231 | 50 | 21 | 50 | 181 | £50k 22/23 for project development, balance towards net zero. |
| Roadside Trees | 31 | 25 | 13 | 31 | 0 | Ongoing programme of works. |
| COVID - Jobs Recovery | 3,077 | 0 | 883 | 2,379 | 698 | Existing MA, Kickstart, graduate, Future Jobs, part contribution to new MA programme and apprentice wage subsidy programme. Expenditure to date against projection under review. |
| 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 | 170 | 170 | 170 | 0 | Budget utilised to cover suspension of parking charges to 30/09/22. |
| Project Resource | 150 | 0 | 10 | 50 | 100 | Funding support for the task force, shared services review and CCIN membership. |
| Omicron Business Support Funding - Business Support Initiatives | 579 | 250 | 26 | 52 | 527 | 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 | 83 | 219 | 816 | MA programme salaries and training programme committed over more than 1 financial year. |
| Total Category C to E | 8,283 | 681 | 1,624 | 3,565 | 4,619 | |