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<b>Report To:</b>	<b>Environment &amp; Regeneration Committee</b>	<b>Date:</b>	<b>16 January 2025</b>
<b>Report By:</b>	<b>Chief Financial Officer and Director of Environment &amp; Regeneration</b>	<b>Report No:</b>	<b>FIN/90/24/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 in this and future years.

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 £197,000 (0.92%) which is a decrease in the overspend of £21,000 since the previous Committee.

This movement is mainly due to an increase in projected employee turnover largely offset by an increase in the projected cost of waste disposal. This increase is due to new legislation which requires that waste upholstered domestic seating and mattresses are treated separately from other waste due to a higher level of pollutants found in this type of material. The cost of this separation and treatment is higher than our existing residual waste contract cost and has resulted in a budget pressure. The Director will review whether this requires the submission of a corporate budget pressure as part of the 2025/26 Budget see 3.1(e).

More details are provided in section 4 and the appendices.

1.4 The Director has concluded a review of the use of Agency employees which has reduced the budget pressure in this area and has also concluded the winter gritting review which has reduced, but not eliminated, the pressure in this area.

1.5 All elected members received details of new saving proposals developed by the CMT which included a small number relating to this Committee. It is expected that the Council will make decisions around these proposals in coming weeks.

## 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 £197,000 and the action taken by the Director to reduce the projected overspend in 2024/25 and recurring budget pressures from 2025/26.

**Alan Puckrin**  
**Chief Financial Officer**

**Stuart Jamieson**  
**Director Environment & Regeneration**

### 3.0 BACKGROUND AND CONTEXT

#### 3.1 2024/25 PROJECTED OUT-TURN (£197,000 Overspend – 0.92%)

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 £57,000 to cover sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime. The Director has concluded a review of the use of Agency employees which has reduced the budget pressure in this area.
- b) A projected under recovery of £77,000 in planning income due to a decrease in activity which is a decrease in the under-recovery of £15,000 since the last report.
- c) A shortfall of £23,000 in parking income due to a delay in progressing the TRO for business parking permits, and £41,000 shortfall PCN income due to less activity.
- d) A projected net under recovery in Roads Operations Unit income of £86,000.
- 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 £88,000. 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 leading to a projected overspend of £130,000-140,000. The Director will review whether this requires the submission of a corporate budget pressure as part of the 2025/26 Budget.
- f) A projected overspend of £79,000 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 £53,000 which partly offsets the over recovery in the turnover target noted at 3.1 (h).
- h) A projected over recovery of £256,000 against the turnover target across the Directorate, offset by the Property fees from capital noted at 3.1 (f) and the agency costs noted at 3.1 (a). The turnover projection includes a £30,000 allowance for future turnover this financial year, a reduction of £70,000 from the previous period. This allowance will be reviewed each reporting period as additional turnover is achieved.

#### 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 £1,216,000 (47.21% 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
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). The report outlines the actions which have been 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
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>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
Grounds Maintenance Seasonals	(50,000)
Refuse Collection Agency	50,000

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	16,433	16,496	63	0.39%
Property Costs	4,521	4,481	4,556	75	1.67%
Supplies & Services	4,028	4,028	4,670	642	15.94%
Transport & Plant Costs	2,613	2,613	2,646	33	1.26%
Administration Costs	480	530	608	77	14.60%
Payments to Other Bodies	6,587	6,601	6,770	169	2.55%
Other Expenditure	1,822	1,822	1,821	(1)	-0.05%
Income	(15,038)	(15,052)	(15,914)	(862)	5.72%
<b>TOTAL NET EXPENDITURE</b>	<b>21,394</b>	<b>21,456</b>	<b>21,653</b>	<b>197</b>	<b>0.92%</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>21,653</b>	<b>197</b>	<b>0.92%</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	5,533	(191)	-3.34%
Property Services	2,640	2,696	2,637	(59)	-2.19%
Roads Services	3,625	3,625	3,867	242	6.68%
Environmental Services	9,271	9,271	9,468	197	2.12%
Director	141	141	149	8	5.69%
<b>TOTAL NET EXPENDITURE</b>	<b>21,394</b>	<b>21,456</b>	<b>21,653</b>	<b>197</b>	<b>0.92%</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>21,653</b>	<b>197</b>	<b>0.92%</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-Oct-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	1,259	1,235	2,199	(100)	(4.35)%
872	Planning Overall	Employee Costs	838	459	459	816	(22)	(2.63)%
446	Admin	Employee Costs	623	341	256	492	(131)	(21.03)%
							<b>(253)</b>	
45	Public Protection - CCTV	Property Costs	67	39	17	45	(22)	(32.84)%
							<b>(22)</b>	
0	RI Employee Core	PTOB	23	5	0	0	(23)	(100.00)%
							<b>(23)</b>	
(509)	Planning sales, fees & charges	Income	(505)	(295)	(224)	(428)	77	(15.25)%
(583)	Comm. Ind. & Misc. Properties	Income	(596)	(405)	(340)	(562)	34	(5.70)%
							<b>111</b>	
<b>PROPERTY SERVICES</b>								
522	Technical Services	Employee Costs	530	279	238	466	(64)	(12.08)%
441	Physical Assets	Employee Costs	536	282	232	475	(61)	(11.38)%
351	Procurement	Employee Costs	412	217	172	358	(54)	(13.11)%
							<b>(179)</b>	
(562)	Technical Services - Income from Capital	Income	(541)	(271)	0	(488)	53	(9.80)%
							<b>53</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-Oct-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>ENVIRONMENTAL SERVICES</b>							
1,522	Env Services - Management	Employee Costs	1,324	704	754	1,410	86	6.50%
							<b>86</b>	
58	Env Services - Pottery Street - Security	Property Costs	35	20	33	55	20	57.14%
							<b>20</b>	
14	Env Services - Overall - External Hires	Transport	51	30	10	31	(20)	(39.22)%
							<b>(20)</b>	
199	Env Services - Overall - Agency Costs	Administration Costs	70	41	74	127	57	81.43%
							<b>57</b>	
134	Env Services - Waste Strategy - Green Waste	PTOB	119	107	113	139	20	16.81%
20	Env Services - Waste Strategy - Food Waste	PTOB	57	32	7	19	(38)	(66.67)%
89	Env Services - Waste Strategy - Non Contract Waste Disposal	PTOB	68	34	77	142	74	108.82%
3,942	Env Services - Waste Strategy - Residual Waste Contact	PTOB	3,585	2,079	2,204	3,720	135	3.77%
							<b>191</b>	
(429)	Env Services - RTS- Scrap Metal & Tipping	Income	(446)	(260)	(319)	(545)	(99)	22.20%
(394)	Env Services - Waste Strategy Green Waste	Income	(428)	(428)	(403)	(402)	26	(6.07)%
							<b>(73)</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-Oct-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>ROADS</b>							
1,521	Roads Client	Employee Costs	1,203	633	702	1,223	20	1.66%
774	Roads Operations	Employee Costs	703	370	317	671	(32)	(4.55)%
							<b>(12)</b>	
88	Roads Client - Other Property Costs	Property Costs	45	26	40	75	30	66.67%
23	Roads Client Rates	Property Costs	46	46	23	23	(23)	(50.00)%
							<b>7</b>	
209	Roads Operations Unit - Subcontractors	Supplies and Services	226	91	152	200	(26)	(11.50)%
998	Roads Operations Unit - Materials	Supplies and Services	913	379	658	1,037	124	13.58%
119	Roads Client - Flooding/ Drainage	Supplies and Services	56	32	76	76	20	
							<b>118</b>	
77	Roads Operations - Non Routine Maintenance	Transport	24	14	57	67	43	179.17%
							<b>43</b>	
(97)	Roads Operations Unit -Non Client Involvement	Income	(26)	(11)	(11)	(60)	(34)	130.77%
(2,094)	Roads Operations Unit - Schedule of Rates	Income	(2,256)	(916)	(911)	(2,234)	22	(0.98)%
(205)	Roads Parking - Income (PCNS)	Income	(231)	(135)	(83)	(190)	41	(17.75)%
(73)	Roads Parking - Sales, Fees and Charges	Income	(97)	(56)	(45)	(74)	23	(23.71)%
							<b>52</b>	
							<b>156</b>	
<b>Total Material Variances</b>							<b>156</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	75	90	750	2,029	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 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, requested 05/12/24 Council.
COVID - Jobs Recovery	1,429	455	367	508	921	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	30	28	56	0	Detailed assessment work progressing.
Covid - Temporary Business Development Officers	59	28	31	55	4	Staff Member in place funded up to 24/25.
Covid Recovery - Business Development Interventions	617	0	54	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	Propose to fully write back due to lack of enquiries.
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	646	306	646	646	0	Will be spent per in full Project Table of Share Prosperity Fund.
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	0	50	0	Funding of local plan preparation to be utilised when required.
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>7,160</b>	<b>894</b>	<b>1,216</b>	<b>2,576</b>	<b>4,584</b>	