
Report To:	Environment & Regeneration Committee	Date:	15 May 2025
Report By:	Interim Chief Financial Officer and Director, Environment & Regeneration	Report No:	FIN/27/25/AE/JAW
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 £22,249,020, which excludes Earmarked Reserves. The latest projection is an overspend of £182,000 (0.82%) which is a decrease in the overspend of £38,000 since the previous Committee. More details are provided in section 4 and the appendices.
- 1.4 £60,000 additional budget was approved as part of the 2025/26 budget process to partially address the ongoing pressures in Agency staff, the Director is undertaking a review of the use of Agency staff with a view to further 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 £182,000.
- 2.2 It is recommended that the Committee note that £200,000 of additional funding from 2025/26 was agreed as part of the 2025/26 budget process to address underlying pressures in the Committee budget.
- 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.

Angela Edmiston
Interim Chief Financial Officer

Stuart Jamieson
Chief Executive

3.0 BACKGROUND AND CONTEXT

3.1 2024/25 PROJECTED OUT-TURN (£182,000 Overspend – 0.82%)

The revised 2024/25 budget for Environment and Regeneration, excluding earmarked reserves, is £22,249,020. This is an increase of £854,570 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) A projected overspend on Environmental Services agency costs of £66,000 to cover sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime. A further projected overspend of £96,000 on agency staff to provide security at Pottery Street. 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 shortfall of £23,000 in parking income due to a delay in progressing the TRO for business parking permits, and £49,000 shortfall PCN income due to less activity.
- c) A projected net under recovery in Roads Operations Unit income of £77,000.
- d) 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 £60,000. This is a decrease of £58,000 from the previous report due to a reduction in residential waste tonnages and an increase in income from external tipping charges. 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 was agreed in the 2025/26 budget process 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.
- e) A projected overspend of £129,000 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.
- f) A projected overspend in Roads and Grounds Maintenance of £104,000 in emergency works for damage caused by Storm Eowyn.
- 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 £488,000 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 £1,080,000 (74.29% of projected spend).

4.0 PROPOSALS

- 4.1 None.

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	126			3,751
Environmental	9,271	336			9,607
Director	141	5			146
Totals	21,394	729	63	63	22,249

Movement Details

£000

External Resources

0

Inflation

Pay Inflation 24/25

679,570

Winter Maintenance Salt Inflation

50,000

729,570

Virements

Procurement Team funded from HSCP/Education & Workstream Saving

102,000

AMP remaining budget reallocation to ICT

(40,000)

Grounds Maintenance Seasonals

(50,000)

Refuse Collection Agency

50,000

62,000

Supplementary Budgets

No-one Left Behind GRG

63,000

63,000

854,570

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	17,062	(113)	-0.66%
Property Costs	4,521	4,498	4,581	83	1.85%
Supplies & Services	4,028	4,061	5,640	1,579	38.88%
Transport & Plant Costs	2,613	2,613	2,674	61	2.33%
Administration Costs	480	530	648	117	22.15%
Payments to Other Bodies	6,587	6,601	6,820	219	3.31%
Other Expenditure	1,822	1,822	1,832	10	0.55%
Income	(15,038)	(15,052)	(16,826)	(1,774)	11.79%
TOTAL NET EXPENDITURE	21,394	22,249	22,431	182	0.82%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,394	22,249	22,431	182	0.82%

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	5,731	(217)	-3.65%
Property Services	2,640	2,797	2,566	(231)	-8.26%
Roads Services	3,625	3,751	4,116	365	9.73%
Environmental Services	9,271	9,607	9,864	257	2.68%
Director	141	146	154	8	5.49%
TOTAL NET EXPENDITURE	21,394	22,249	22,431	182	0.82%
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES	21,394	22,249	22,431	182	0.82%

ENVIRONMENT AND REGENERATION COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

0

<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>28-Feb-25</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	2,185	2,116	2,295	(107)	(4.45)%
872	Planning Overall	Employee Costs	871	792	787	850	(21)	(2.41)%
446	Economic Development - Admin	Employee Costs	645	587	463	506	(139)	(21.55)%
							(267)	
60	Comm. Ind. & Misc. Properties	Property Costs	29	29	56	56	27	
							27	
0	RI Core	PTOB	23	5	0	0	(23)	(100.00)%
28	Comm. Ind. & Misc. Properties	PTOB	0	0	0	31	31	0.00%
							8	
(583)	Comm. Ind. & Misc. Properties	Income	(596)	(547)	(561)	(561)	35	(5.87)%
							35	
PROPERTY SERVICES								
522	Technical Services	Employee Costs	546	497	426	473	(73)	(13.37)%
441	Physical Assets	Employee Costs	554	504	418	461	(93)	(16.79)%
351	Procurement	Employee Costs	427	388	337	379	(48)	(11.24)%
							(214)	
	Office Accommodation - Rates	Property Costs	437	437	366	366	(71)	(16.25)%
							(71)	
(562)	Technical Services - Income from Capital	Income	(541)	(451)	0	(480)	61	(11.28)%
							61	

ENVIRONMENT AND REGENERATION COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

0

<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>28-Feb-25</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>
	ENVIRONMENTAL SERVICES							
6,103	Env Services - Front Line	Employee Costs	5,791	5,291	5,188	5,687	(104)	(1.80)%
1,522	Env Services - Management	Employee Costs	1,381	1,362	1,422	1,441	60	4.34%
							(44)	
58	Env Services - Pottery Street - Security	Property Costs	35	32	61	72	37	105.71%
47	Env Services - Pottery Street - Rates	Property Costs	76	70	51	51	(25)	(32.89)%
28	Env Services - RTS - Pest Extermination	Property Costs	0	0	18	20	20	0.00%
							32	
46	Env Services - Grounds - Subcontractors	Supplies and Services	40	37	85	116	76	190.00%
61	Env Services - Waste Strategy - Purchase of bins	Supplies and Services	43	39	65	83	40	93.02%
							116	
253	Env Services - Overall Non Routine Maintenance	Transport	214	196	239	260	46	21.50%
8	Env Services - CAB/MOT Purchase of Equipment & Materials	Transport	2	2	17	20	18	900.00%
314	Env Services - Overall - Fuel	Transport	388	356	306	350	(38)	(9.79)%
							26	
199	Env Services - Overall - Agency Costs	Administration Costs	70	64	109	136	66	94.29%
							66	
494	Env Services - RTS Dry Mixed Recycling	PTOB	463	417	389	441	(22)	(4.75)%
20	Env Services - Waste Strategy - Food Waste	PTOB	57	52	13	18	(39)	(68.42)%
89	Env Services - Waste Strategy - Non Contract Waste Disposal	PTOB	68	63	107	128	60	88.24%
3,942	Env Services - Waste Strategy - Residual Waste Contact	PTOB	3,585	3,155	3,420	3,758	173	4.83%
							172	
(733)	Crematorium - Cremations	Income	(822)	(685)	(655)	(782)	40	(4.87)%
(429)	Env Services - RTS- Scrap Metal & Tipping	Income	(446)	(409)	(479)	(605)	(159)	35.65%
(21)	Env Services - Glass	Income	(19)	(17)	(35)	(40)	(21)	100.00%
(394)	Env Services - Waste Strategy Green Waste	Income	(428)	(428)	(402)	(402)	26	(6.07)%
							(114)	

ENVIRONMENT AND REGENERATION COMMITTEE

REVENUE BUDGET MONITORING REPORT

MATERIAL VARIANCES

0

<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>28-Feb-25</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>
	ROADS							
88	Roads Client - Security	Property Costs	45	26	62	80	35	77.78%
23	Roads Client Rates	Property Costs	46	46	24	24	(22)	(47.83)%
							13	
998	Roads Operations Unit - Materials	Supplies and Services	913	703	865	1,000	87	9.53%
97	Roads Client - Emergency/ Misc.	Supplies and Services	24	22	51	64	40	166.67%
119	Roads Client - Flooding/ Drainage	Supplies and Services	56	51	84	84	28	50.00%
0	Roads - EV Charging	Supplies and Services	0	0	30	30	30	0.00%
							185	
77	Roads Operations - Non Routine Maintenance	Transport	24	22	90	91	67	279.17%
313	Roads Operations - Vehicle Hires	Transport	286	262	272	317	31	10.84%
							98	
(97)	Roads Operations Unit -Non Client Involvement	Income	(26)	(18)	(83)	(86)	(60)	230.77%
(2,094)	Roads Operations Unit - Schedule of Rates	Income	(2,256)	(1,600)	(1,418)	(2,217)	39	(1.73)%
(535)	Roads Operation Unit - Recharges at Dayworks	Income	(405)	(287)	(425)	(425)	(20)	4.94%
(205)	Roads Parking - Income (PCNS)	Income	(231)	(182)	(150)	(182)	49	(21.21)%
(73)	Roads Parking - Sales, Fees and Charges	Income	(97)	(89)	(67)	(74)	23	(23.71)%
							31	
	DIRECTOR							
							0	0.00%
							0	
Total Material Variances							160	

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</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	135	131	156	2,623	Spent in relation to Clune Park area, covering legal support, security and demolition. Contingency to fund CPO/purchase costs also. Utility disconnections costs ongoing in 24/25. Phase 1 demolitions will begin when this is complete.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	0	0	5	90	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 Council.
COVID - Jobs Recovery	1,429	715	150	200	1,229	Existing MA & graduate, part contribution to new MA programme and apprentice wage subsidy programme. There may be a reduction to 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	44	49	55	4	Staff Member in place funded up to 24/25.
Covid Recovery - Business Development Interventions	567	0	74	100	467	Range of interventions agreed at March 2024 E&R Committee. £50k write back 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.
Business Loans Scotland - 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	100	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	25	38	12	Capacity funding for Towns Fund. Funding consultants costs and part year Towns Fund Manager post.
Empty Property Relief	94	0	0	0	94	E&R Business Support transferred from P&R Committee. Expect grants of £15k to be approved 24/25.
Total Category B to E	7,027	1,509	1,080	1,454	5,573	