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<b>Report To:</b>	<b>Environment &amp; Regeneration Committee</b>	<b>Date:</b>	<b>28 August 2025</b>
<b>Report By:</b>	<b>Interim Chief Financial Officer, Interim Director - Environment &amp; Interim Director - Regeneration</b>	<b>Report No:</b>	<b>FIN/49/25/AE/JAW</b>
<b>Contact Officer:</b>	<b>Julie Ann Wilson</b>	<b>Contact No:</b>	<b>01475 712636</b>
<b>Subject:</b>	<b>2025/26 Environment &amp; Regeneration Revenue Budget and 2024/25 Out-turn</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 outturn for 2024/25 and the 2025/26 projected position.
- 1.3 In 2024/25 excluding the carry forward of Earmarked Reserves, there was an overspend of £306,000 within the Environment and Regeneration Committee. This was an increase in expenditure of £124,000 from the projected outturn reported to Committee in May 2025. More details are provided in section 3 and the appendices.
- 1.4 The revised 2025/26 Revenue Budget for the Environment and Regeneration Committee is £22,139,000, which excludes Earmarked Reserves. The latest projection is an overspend of £90,000 (0.41%). More details are provided in paragraph 3.3 and the appendices.
- 1.5 The Interim Directors and their senior management teams are reviewing the 2024/25 outturns to identify potential virement opportunities to reduce the projected overspend.

## 2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee notes the outturn for 2024/25, and that the Committee's Revenue Budget is currently projected to overspend in 2025/26 by £90,000.
- 2.2 It is recommended that the Committee notes the on-going review of security costs being progressed by the Interim Directors and that where appropriate, an update will be provided to future meetings of the Committee.

**Angela Edmiston**  
Interim Chief Financial Officer

**Neale McIlvanney**  
Interim Director – Regeneration

**Eddie Montgomery**  
Interim Director – Environment

### 3.0 BACKGROUND AND CONTEXT

#### 3.1 2024/25 OUT-TURN (£306,000 Overspend – 1.38%)

The revised 2024/25 budget for Environment and Regeneration, excluding earmarked reserves, was £22,206,650. This is an increase of £812,200 from the approved budget, prior to transfers to earmarked reserves., including allocation of funding for the 2024/25 pay award.

The main variations from budget and movements from the projected outturn position reported to the Committee in May, were as follows:

Service	Revised Budget 2024/25 £000	Outturn 2024/25 £000	Variance to Budget £000	Variance to Budget %	Movement since P11 £000
Regeneration, Planning & Public Protection	5,913	5,731	(182)	(3.08%)	35
Property Services	2,762	2,561	(201)	(7.28%)	30
Roads Services	3,798	4,126	328	8.63%	(37)
Environmental Services	9,587	9,937	350	3.65%	93
Director	146	157	11	7.80%	3
<b>TOTAL NET EXPENDITURE</b>	<b>22,206</b>	<b>22,512</b>	<b>306</b>	<b>1.38%</b>	<b>124</b>

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

- An overspend on agency/consultants costs of £84,000 to cover sickness, holidays, and delays in filling vacancies, partly offset by reduced overtime. A further overspend of £86,000 on agency staff to provide security at Pottery Street. The Interim Directors are undertaking a review of the use of agency to provide security with a view to reducing expenditure in this area. A budget pressure of £60,000 to address this matter was approved from 2025/26 in addition to the £50,000 virement previously identified by the service.
- A movement in the bad debt provision across the Directorate of £188,000.
- An over recovery in BSU of £117,000 due to additional income for works carried out, partly offset by an overspend in Central Repairs of 96,000.
- An overspend in residual and non-contract waste disposal partly offset by an under spend/over recovery on various other waste streams, giving a net projected overspend of £90,000. Due to new legislation, waste upholstered domestic materials and mattresses must be disposed of separately from the general waste. It was agreed in the 2025/26 budget process to fund this pressure from the UK Government Extended Producer Responsibility for Packaging monies.
- An overspend of £151,000 across the Directorate on non-routine vehicle maintenance. This is due to an increase in the price of materials and sub-contractors, and a high number of one-off repairs to vehicles that are due for replacement.
- An overspend in Roads and Grounds Maintenance of £141,000 in emergency works for damage caused by Storm Eowyn.
- 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 £478,000 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).

### 3.3 2025/26 PROJECTED OUT-TURN (£90,000 Overspend – 0.41%)

The revised 2025/26 budget for Environment and Regeneration, excluding earmarked reserves, is £22,139,100.

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

- a) An overspend of £72,000 on agency staff to provide security at Pottery Street. The Interim Directors are undertaking a review of the use of agency employees with a view to reducing expenditure in this area.
- b) A shortfall £22,000 in parking income due to a delay in progressing the TRO for business parking permits, and £75,000 shortfall PCN income due to less activity.
- c) A projected under recovery of £54,000 in Commercial Rents income due to an increase in the number of void properties.
- d) A projected net under recovery in Roads Operations Unit income of £82,000.
- e) A projected net over recovery of £245,000 against the turnover target across the Directorate.

### 3.4 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 £228,000 (7.62% of projected spend).

## 4.0 PROPOSALS

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

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>Budget Years</b>	<b>Proposed Spend this Report</b>	<b>Virement From</b>	<b>Other Comments</b>
N/A					

Annually Recurring Costs/ (Savings)

<b>Cost Centre</b>	<b>Budget Heading</b>	<b>With Effect from</b>	<b>Annual Net Impact</b>	<b>Virement From (If Applicable)</b>	<b>Other Comments</b>
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 - 2025/26**

Service	Approved Budget	Movements				Revised Budget
	2025/26 £000	Inflation £000	Virement £000	Supplementary Budgets £000	Transferred to EMR £000	2025/26 £000
Regeneration, Planning & Public Protection	5,822					5,822
Property Services	2,798					2,798
Roads	3,714					3,714
Environmental	9,658					9,658
Director	147					147
Totals	<u>22,139</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>22,139</u>

**Movement Details**

£000

External Resources

0

Inflation

0

Virements

0

Supplementary Budgets

0

0

**ENVIRONMENT AND REGENERATION COMMITTEE****REVENUE BUDGET MONITORING REPORT****SUBJECTIVE ANALYSIS**

Subjective Heading	Approved Budget 2025/26	Revised Budget 2025/26 £000	Projected Out-turn 2025/26 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Employee Costs	17,410	17,409	17,569	159	0.91%
Property Costs	4,192	4,192	4,249	57	1.36%
Supplies & Services	3,865	3,865	4,191	326	8.43%
Transport & Plant Costs	2,634	2,634	2,703	69	2.62%
Administration Costs	584	584	646	62	10.62%
Payments to Other Bodies	6,653	6,653	6,593	(59)	-0.89%
Other Expenditure	1,928	1,928	1,930	2	0.10%
Income	(15,127)	(15,127)	(15,653)	(526)	3.48%
<b>TOTAL NET EXPENDITURE</b>	<b>22,139</b>	<b>22,139</b>	<b>22,229</b>	<b>90</b>	<b>0.41%</b>
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>22,139</b>	<b>22,139</b>	<b>22,229</b>	<b>90</b>	<b>0.41%</b>

**ENVIRONMENT AND REGENERATION COMMITTEE****REVENUE BUDGET MONITORING REPORT****OBJECTIVE ANALYSIS**

Objective Heading	Approved Budget 2025/26	Revised Budget 2025/26 £000	Projected Out-turn 2025/26 £000	Projected Over/(Under) Spend £000	Percentage Variance %
Regeneration, Planning & Public Protection	5,822	5,822	5,680	(142)	-2.44%
Property Services	2,799	2,799	2,784	(15)	-0.54%
Roads Services	3,714	3,714	3,927	213	5.74%
Environmental Services	9,658	9,658	9,731	73	0.76%
Director	147	147	108	(39)	-26.58%
<b>TOTAL NET EXPENDITURE</b>	<b>22,139</b>	<b>22,139</b>	<b>22,229</b>	<b>90</b>	<b>0.41%</b>
Transfer to Earmarked Reserves *	0	0	0	0	0.00%
<b>TOTAL NET EXPENDITURE EXCLUDING EARMARKED RESERVES</b>	<b>22,139</b>	<b>22,139</b>	<b>22,229</b>	<b>90</b>	<b>0.41%</b>

## APPENDIX 3

## ENVIRONMENT AND REGENERATION COMMITTEE

## REVENUE BUDGET MONITORING REPORT

## MATERIAL VARIANCES

[illegible]

## APPENDIX 3

## ENVIRONMENT AND REGENERATION COMMITTEE

## REVENUE BUDGET MONITORING REPORT

## MATERIAL VARIANCES

[illegible]



## EARMARKED RESERVES POSITION STATEMENT

Appendix 4

COMMITTEE: Environment &amp; Regeneration

<u>Project</u>	<u>Total Funding</u>	<u>Phased Budget</u>	<u>Actual to date</u>	<u>Projected Spend</u>	<u>Amount to be Earmarked for 2026/27 &amp; Beyond</u>	<u>Lead Officer Update</u>
	<u>2025/26 £000</u>	<u>2025/26 £000</u>	<u>2025/26 £000</u>	<u>2025/26 £000</u>	<u>£000</u>	
Renewal of Clune Park Area	2,801	0	0	1,000	1,801	Spent in relation to Clune Park area, covering legal support, security and demolition. Contingency to fund CPO/purchase costs also. Most of this will be capital expenditure therefore a review is being undertaken to transfer funds to the capital programme.
Repopulating/Promoting Inverclyde/ Group Action Plan	95	10	10	95	0	Fully committed to fund post
City Deal	481	0	0	395	86	Funding City Deal delivery and PMO costs.
COVID - Jobs Recovery	1,223	185	182	859	364	Committed to MA Programme for existing posts/staff agreed
Covid - Temporary Business Development Officers	5	5	5	5	0	Fully committed to fund post, remainder of post will be funded from Business development interventions EMR
Covid Recovery - Business Development Interventions	567	20	18	100	467	Committed to business development plans
Local Plan Preparation	71	0	0	0	71	Smoothing EmR for local plan preparation to be utilised when required.
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 will support this pressure in 25/26. Pressure will occur from 26/27.
Long Term Plan for Towns	13	13	13	13	0	Capacity funding for Towns Fund. Funding consultants costs and part year Towns Fund Manager post.
Empty Property Relief	94	0	0	94	0	E&R Business Support transferred from P&R Committee.
Roads Investment	600	0	0	200	400	Funds will be used to deliver additional roads network projects.
<b>Total Category B to E</b>	<b>6,680</b>	<b>233</b>	<b>228</b>	<b>2,991</b>	<b>3,689</b>	