

# The Highland Council

<b>Agenda Item</b>	<b>4</b>
<b>Report No</b>	<b>ECI/54/2023</b>

**Committee:** Economy and Infrastructure

**Date:** 16 November 2023

**Report Title:** Quarterly Revenue and Performance Monitoring Report Quarter 2 2023/24

**Report By:** Executive Chief Officer Infrastructure, Environment and Economy

## 1 Purpose/Executive Summary

1.1 This report provides Members with the Quarter 2 to 30 September 2023 monitoring statement for Infrastructure, Environment and Economy. The Service budget for 2023/24 is £40.411m with a predicted end of year overspend forecast of £5.740m.

1.2 This report also provides performance information for Quarter 1 2023/24 regarding:-

- Corporate Indicators;
- Contribution to the Corporate Plan;
- Service Plan Progress;
- Mitigation of Service Risks; and
- Service updates outwith the Corporate Indicators or Service Plan

The content and structure is intended to:-

- assist Member scrutiny and performance management;
- inform decision making to aid continuous improvement; and
- provide transparency and accessibility.

Unfortunately, Quarter 2 2023/24 performance information is not available due to the timing of the committee meeting.

## 2 Recommendations

2.1 Members are asked to:-

- i) **Consider** the Service's revenue monitoring position; and
- ii) **Scrutinise** the Service's performance and risk information.

## 3 Implications

3.1 **Resource** - Issues arising in Quarter 2 may continue to impact in the year for the Service in maintaining previously achieved income levels and further unplanned expenditure. However, this will be closely monitored and kept under review.

- 3.2 **Legal** - This report contributes to the Council's statutory duties to report performance and secure best value in terms of; Section 1(1)(a) of the Local Government Act 1992, and Section 1 of the Local Government in Scotland Act 2003, respectively.
- 3.3 **Community (Equality, Poverty, Rural and Island)** - There are no Community implications arising from this report.
- 3.4 **Climate Change / Carbon Clever** - There are no relevant implications arising from this report.
- 3.5 **Risk** - Risk implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified reported to future Committees.
- 3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** - There are no immediate health and safety implications arising from this report.
- 3.7 **Gaelic** - There are no implications for Gaelic arising from this report.

#### **4 Infrastructure, Environment and Economy Revenue Budget – Quarter 2 2023/24**

- 4.1 Revenue monitoring statements showing actual expenditure up to Quarter 2 2023/24 and year-end estimates are set out in **Appendix 1**. The predicted annual expenditure of the Service is £46.151m against a budget of £40.411m, which represents an overspend of £5.740m.
- 4.2 **Appendix 2** provides more information on the net budget by showing the service areas in more detail along with the gross income and gross expenditure positions. The main variances contributing to the Service overspend are set out in section 4.3 of this report.
- 4.3 **Main Issues and Variances – Quarter 2 2023/24**
- 4.3.1 Directorate and Business Team includes all of the Service's corporate and efficiency savings which are yet to be allocated permanently to other budget headings in the Service.
- 4.3.2 Economic Development forecasts an overall underspend of £0.379m due to the areas of activity noted below:-
- Investment properties have achieved increased rental income;
  - Business Development and Employability have a slight overspend due to the timing of grant claims; and
  - Projects underspend due to no spend against historic budgets carried forward and staffing costs.
- 4.3.3 Planning, Environment and Building Standards forecasts an overall underspend of £1.193m due to a combination of increased fee income and staffing adjustments to be reflected in Quarter 3. The year-end estimate will be kept under review.

- 4.3.4 Infrastructure - Project Design Unit (PDU) forecasts an under recovery of income of £0.608m, due to existing vacancies. Analysis of income to date and projected income levels based on existing staffing levels show an under recovery on the budgeted income.
- 4.3.5 Roads Maintenance forecasts an overspend of £0.790m due to the hired plant, vehicle and contractor costs being much higher than at Quarter 1 and for the same period last year. Projections do not allow for any flooding costs incurred in October these will be reported in Quarter 3.
- 4.3.6 Engineering Services forecasts an underspend of £0.182m due to greater staff time charged to capital.
- 4.3.7 Lighting Services forecasts an overspend of £0.002m. This reduction in overspend from Quarter 1 is due to a budget feed held centrally for energy costs. At this stage unable to confirm the amount the Service will receive but the year-end estimate will be kept under review.
- 4.3.8 Integrated Transport Services forecasts an overspend of £0.372m mainly due to staffing and set up costs associated with in-house pilot bus operations project. The project has been established to realise significant cost avoidance following the re-tendering of school and public transport contracts last year, and improvements in service delivery. The project has proved to be extremely successful to date. Loan charges have also been applied in Quarter 2.
- 4.3.9 Subsidies and Concessionary Fares forecasts an overspend of £0.172m this is due to awaiting confirmation of Scottish Government ferries grant funding for 2023/24. School Transport forecasts an overspend of £0.802m due to an unachievable saving applied in 2022/23. In addition the Quarter 1 projection did not include new requirements, notably Drummond School. This is a budget pressure and will have to be managed through the Service budget. Both budget lines should be taken together as they are inextricably linked.
- 4.3.10 Car Parks forecast an overspend of £0.154m this is due to a combination of increased costs and income less than predicted at Quarter 1. The year-end estimate will be kept under review.
- 4.3.11 Harbours and Ferries:-
- Harbour dues have achieved a higher level of income than predicted at £0.483m.
  - Corran Ferry forecasts an overspend of £3.339m due to loss of income and increasing repair and overhaul costs as that reported at Quarter 1. The forecast also includes the contingency costs currently £1.318m that are no longer being funded from reserves. This will be put forward as a budget pressure to cover these costs.
- 4.4 The Service savings targets are set out in **Appendix 3**. All of the savings, both service specific and corporate, have been reflected in the Infrastructure, Environment and Economy 2023/24 budget.

## 5 Service Performance – Corporate Indicators

5.1 Service performance in relation to Absence, Complaints, FOIs, and Invoice Payments are set out in the following sub-sections.

### 5.2 Service Attendance Management

Staff absence is a nationally benchmarked indicator. Effective absence management supports staff, maintains productivity, and contributes to the Council's benchmarked performance. In Quarter 1 the Service lost an average of 2.85 days per employee compared to an average of 2.48 for the Council as a whole.

### Infrastructure, Environment and Economy

#### Average number working days per employee lost through sickness absence

Average Days Lost	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24
Infrastructure, Environment and Economy	0.66	0.55	0.76	1.67	1.76	1.55	2.95	2.85
Highland Council	1.52	1.83	2.22	2.24	1.58	1.89	2.88	2.48

### 5.3 Service Complaints Response Times

Monitoring complaints provides important feedback which can facilitate decision making and service design. Services are responsible for responding to complaints which are issued on their behalf by the Customer and Resolution Improvement Team ('CRIT').

Performance for complaints during Quarter 1 against a corporate target of 80% was as follows:-

#### Complaints - Infrastructure, Environment and Economy

#### Number of closed complaints and the % compliant with the legislative timescale

##### Frontline Resolution within 5 days

	Q2 21/22		Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24	
Infrastructure, Environment & Economy	51	45 %	30	57 %	27	59 %	31	39 %	22	77 %	42	93 %	36	92 %	32	81 %
Highland Council	263	62 %	207	62 %	161	62 %	170	61 %	163	90 %	137	93 %	101	90 %	162	92 %

##### Investigation Resolution within 20 days

	Q2 21/22		Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24	
Infrastructure, Environment & Economy	8	75 %	20	25 %	9	56 %	8	13 %	14	21 %	13	54 %	17	29 %	19	47 %
Highland Council	32	63 %	68	54 %	48	44 %	65	46 %	54	31 %	49	47 %	63	41 %	97	63 %

##### Escalated Resolution within 20 days

	Q2 21/22		Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24	
Infrastructure, Environment & Economy	16	31 %	16	38 %	20	25 %	8	13 %	10	40 %	2	0 %	4	0 %	8	25 %
Highland Council	43	40 %	45	51 %	57	37 %	38	18 %	34	32 %	22	36 %	15	33 %	32	50 %

The service continues to work to improve. Cases are reviewed weekly at the Senior Management Team meeting. Unfortunately, the complexity of some complaints means that the 20-day resolution time is challenging.

#### 5.4 Service Freedom of Information ('FOI') Response Times

FOI requests are co-ordinated by CRIT in collaboration with the Service teams which may hold information relevant to the request.

The performance for FOI response times during Quarter 1 against a corporate target of 90% was as follows:-

#### Freedom of Information Requests - Infrastructure, Environment and Economy

#### % of FOIs closed compliant with the legislative timescale

% FOIs Compliant - Infrastructure, Environment and Economy	Q2 21/22		Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24	
		129	77 %	126	83 %	119	67 %	126	67 %	97	78 %	98	78 %	127	69 %	124

% FOIs Compliant - Highland Council	Q2 21/22		Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24	
		391	87 %	414	84 %	400	76 %	462	73 %	364	82 %	478	81 %	536	75 %	399

Tables display the number of FOIs closed within the quarter and % of those that were compliant with the legislative timescale (20 working days) for the service and the Highland Council overall.  
The Scottish Information Commissioner requires the Council to achieve a minimum compliance rate of 90%.

The service continues to work to improve. Cases are reviewed weekly at the Senior Management Team meeting. Extracting the required data from some of our systems for FOI requests means that the 20-day response time is challenging.

#### 5.5 Service Invoice Payment Times

Payment of invoices within 30 days of receipt is a Council Statutory Performance Indicator. The Council also monitors the number of invoices paid within 10 days of receipt.

The performance for invoice payment times within 10 and 30 days during Quarter 1 against a target of 77% and 95%, respectively, was as follows:-

#### Infrastructure, Environment and Economy - Invoice Payments

Invoice Payment within 30 days	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24
Infrastructure, Environment and Economy	97.4 %	96.9 %	94.2 %	98.1 %	96.3 %	97.2 %	96.2 %	97.8 %
Highland Council	95.8 %	94.2 %	89.1 %	94.1 %	94.2 %	95.1 %	94.9 %	95.1 %

Invoice Payment less than 10 days	Q2 21/22	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24
Infrastructure, Environment and Economy	86.0 %	76.2 %	58.0 %	80.6 %	82.6 %	83.9 %	81.6 %	86.9 %
Highland Council	80.2 %	67.8 %	53.1 %	67.5 %	73.4 %	70.4 %	71.6 %	72.8 %

## 6 Service Contribution to Corporate Plan

### 6.1

#### Infrastructure, Environment and Economy - PIs and Actions in Corporate Plan

PIs/Actions in the Corporate Plan	Period	Data	Period	Data	Period	Data
CP2.01 Implement new bus contract management software tool	Q3 22/23	On Target	Q4 22/23	Some Slippage	Q1 23/24	On Target
CP2.01 Implement Raigmore Bus Gate	Q3 22/23	On Target	Q4 22/23	Some Slippage	Q1 23/24	Some Slippage
CP2.01 Income from hire of council buses - start reporting FY23/24	FY 20/21		FY 21/22		FY 22/23	
CP2.01 No. low carbon buses in Council fleet - start reporting 23/24	FY 20/21		FY 21/22		FY 22/23	
CP2.01 No. of community transport projects supported	FY 20/21		FY 21/22		FY 22/23	25
CP2.02 Deliver Permanent Road Traffic Regulation Orders for 20 mph speed limits - start reporting Q1 23/24	Q3 22/23		Q4 22/23		Q1 23/24	On Target
CP2.02 Early Adoption of 20mph speed limits - start reporting 23/24	FY 20/21		FY 21/22		FY 22/23	
CP2.02 Ensure annual delivery of SG Safer Routes to School programme	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP2.03 Road network to be considered for maintenance	FY 20/21	39.1 %	FY 21/22	36.7 %	FY 22/23	36.5 %
CP2.06/CP5.07 Delivery of 22 Tier 1 priority projects in Highland Strategic Tourism Infrastructure Development Plan - start reporting Q1 24/25	Q3 22/23		Q4 22/23		Q1 23/24	
CP2.08 Delivery of City/Region deal digital project - start reporting Q1 24/25	Q3 22/23		Q4 22/23		Q1 23/24	
CP2.08 ECON08 - Proportion of properties receiving superfast broadband	FY 20/21	84 %	FY 21/22	83 %	FY 22/23	
CP2.09 Complete next stages of Corran Ferry replacement project	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	Some Slippage
CP2.09 Deliver Uig Ferry Terminal Project	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP2.09 Progression of Inverness Railway Station Master Plan to detailed design	Q3 22/23	On Target	Q4 22/23	Some Slippage	Q1 23/24	Some Slippage
CP2.10 Complete Inverness Levelling-Up Fund project	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP2.10 Ensure percentage of wind production remains within the region as a local investment - due to start reporting Q2 23/24	Q3 22/23		Q4 22/23		Q1 23/24	
CP2.10 Establish an up to date inward investment proposition	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP2.10 Refresh website and establish baseline for "Number of enquiries through refreshed website p.a."	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP2.11 Develop a community wealth building strategy	Q3 22/23		Q4 22/23	On Target	Q1 23/24	On Target
CP2.11 Develop a strategy to map funding opportunities aimed at community energy projects - due to start reporting Q1 23/24	Q3 22/23		Q4 22/23		Q1 23/24	On Target

PIs/Actions in the Corporate Plan	Period	Data	Period	Data	Period	Data
CP3.01 No. council houses built/ purchased per year 2022-27	FY 20/21		FY 21/22		FY 22/23	180
CP3.03 No. affordable houses built by others per year 2022-27	FY 20/21		FY 21/22		FY 22/23	200
CP3.06 Complete project to convert part of HQ building into flats	Q3 22/23		Q4 22/23	On Target	Q1 23/24	On Target
CP3.07 Avg time [wks] per planning application - all Local Developments	FY 20/21	11.6	FY 21/22	13.1	FY 22/23	16.2
CP3.07 Avg time [wks] per planning application - all Majors	FY 20/21	27.8	FY 21/22	56.7	FY 22/23	75.2
CP3.07 Avg time [wks] per planning application - Other Consents	FY 20/21	9.8	FY 21/22	9.9	FY 22/23	12.1
CP3.08 No. key worker homes made available avg p.a. 2022-27	FY 20/21		FY 21/22		FY 22/23	10
CP3.09 BSIP submitted to Economy and Infrastructure Committee	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	Some Slippage
CP4.01 Deliver Active Travel Infrastructure project: Academy Street	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP4.01 Deliver Active Travel Infrastructure project: Culbokie	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP4.01 Deliver Active Travel Infrastructure project: Kingussie	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP4.01 Deliver Active Travel Infrastructure project: Wick	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP4.01 Deliver Inverness Active Travel Network schemes	Q3 22/23	On Target	Q4 22/23	Some Slippage	Q1 23/24	Some Slippage
CP4.03 No. Funding Opportunities aimed at Community Energy Projects - due to start reporting FY23/24	FY 20/21		FY 21/22		FY 22/23	
CP4.04 % of Nature Restoration Fund Allocated	FY 20/21		FY 21/22		FY 22/23	100 %
CP4.04 Consideration of the Flow Country as a UNESCO world heritage site - start reporting Q1 24/25	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP4.05 Deliver Ecological Strategy	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP4.05 Map council land available for biodiversity enhancement - start reporting Q1 23/24	Q3 22/23		Q4 22/23		Q1 23/24	On Target
CP4.05 Map Highland carbon resources - start reporting Q1 23/24	Q3 22/23		Q4 22/23		Q1 23/24	Some Slippage
CP4.07 Street lighting energy consumption	FY 20/21	10,904,332	FY 21/22	10,035,100	FY 22/23	9,175,349

- CP 3.07 Average time per Planning applications: The reasons for the Planning performance showing as Red were outlined in the last quarterly performance report. Additionally, a Planning Performance Improvement Workshop is planned for November to help determine which areas of the process require more focus and support.

PIs/Actions in the Corporate Plan	Period	Data	Period	Data	Period	Data
CP5.01 ERDs being completed - IEE	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP5.02 Carry out full review of Employability Services offered by the Council	Q3 22/23		Q4 22/23	On Target	Q1 23/24	On Target
CP5.02 ECON01 - Percentage of Unemployed People Assisted into work	FY 20/21	1.13 %	FY 21/22	11.68 %	FY 22/23	
CP5.02 No. new Modern Apprenticeships/Paid Placements and Youth Traineeships	FY 20/21		FY 21/22		FY 22/23	148
CP5.02 No. new Youth Traineeships	FY 20/21		FY 21/22		FY 22/23	22
CP5.02 No. of new Paid Placements	FY 20/21		FY 21/22		FY 22/23	62
CP5.05 Guidance to communities to develop their own Local Place Plans	Q3 22/23	On Target	Q4 22/23	On Target	Q1 23/24	On Target
CP5.09 ECON05 - No. Business Gateway start-ups per 10000 popn	FY 20/21	7.35	FY 21/22	8.49	FY 22/23	13.23
CP5.09 Number of businesses supported by Council ED and BG	FY 20/21	15,319	FY 21/22	2,208	FY 22/23	
CP5.11 Introduce tourism levy - start reporting Q1 25/26	Q3 22/23		Q4 22/23		Q1 23/24	

## 7 Service Plan Progress

7.1 Service performance information from the Service Plan FY 23/24 is set out below.

7.2

Roads and Infrastructure Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
Annual reporting of rolling programmes of capital funded roads investment	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 24/25
Develop the Health and Safety system structure for Roads Service activities	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 24/25
Develop the Roads Redesign Action Plan and associated programme of works	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 24/25
ENV4b - Road network - A Class	FY 21/22	26.3 %	FY 22/23	26.2 %	27.6 %	HC update - due June LGBF update - due December
ENV4c - Road network - B Class	FY 21/22	35.8 %	FY 22/23	34.3 %	33.6 %	HC update - due June LGBF update - due December
ENV4d - Road network - C Class	FY 21/22	37.9 %	FY 22/23	39.3 %	33.2 %	HC update - due June LGBF update - due December
ENV4e - Road Network - U Class	FY 21/22	41.3 %	FY 22/23	40.7 %	36.7 %	HC update - due June LGBF update - due December
Initiate reviewing and updating the Road Guidelines for new developments	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 24/25
Reduce CO2 emissions for street lighting [tonnes CO2]	FY 21/22	2,296	FY 22/23	1,917	5,135	
Review and improve the contents of the roads related Council website pages and develop online forms	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 24/25

7.3

Planning, Environment and Low-Carbon Transport Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
Access Rangers: secure funding for 2024/25	Q4 22/23		Q1 23/24	On Target		Due to complete Q1 24/25
Completion of Examination stage and adoption of Inner Moray Firth Plan	Q4 22/23		Q1 23/24	On Target		Due to complete Q1 24/25
% of Restoration Fund allocated	FY 21/22		FY 22/23	100 %	100 %	
Develop biodiversity policy/guidance to support NPF4 requirements	Q4 22/23		Q1 23/24	On Target		Due to complete Q3 23/24
Develop overarching Transport Strategy and secure Member Approval	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 24/25
Identify potential project pipeline for Active Travel	Q4 22/23		Q1 23/24	On Target		Due to complete Q4 23/24
Increase length of core path networks across Highland	FY 21/22		FY 22/23	2,575		
Local nature conservation sites identified and designated	FY 21/22		FY 22/23			
Mapping and strengthening Nature Networks	Q4 22/23		Q1 23/24	On Target		Due to complete Q3 23/24
National Customer Satisfaction Survey for Building Standards	FY 21/22		FY 22/23	8.2	7.8	
PPF indicators submitted on time to the Scottish Govt	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 23/24
Sustain Archaeology Festival attendee numbers	FY 21/22		FY 22/23	10,000	10,000	
Traffic light prioritisation consultation	Q4 22/23		Q1 23/24	On Target		Due to complete Q3 23/24

7.4

Economic Development Q1 23/24						
Actions PIs being Monitored in Service Plan	Period	Data	Period	Data	Target Value	Completion/ Update Date
Collate community-based energy projects numbers to inform target setting	Q4 22/23		Q1 23/24	On Target		Due to complete Q1 24/25
Incorporate Child Poverty funding in Employability Team/Partnership delivery workplan	Q4 22/23		Q1 23/24	On Target		Due to complete Q2 23/24
Incorporate Child Poverty work in Employability Review to take forward recommendations/actions	Q4 22/23		Q1 23/24	On Target		Due to complete Q3 23/24
No. unemployed parents supported into work	FY 21/22		FY 22/23			Update - due September
No. working parents supported to progress in work	FY 21/22		FY 22/23			Update - due September
Communicate process to capture community-based energy projects cross-council	Q4 22/23		Q1 23/24	On Target		Due to complete Q4 23/24



## 8 Service Risk Mitigation

8.1 The Service Risk Register is reviewed by the Service quarterly and mitigating actions are tracked in PRMS.

8.2

Risk No.	Risk Rating	Risk Name
CR25	A1	Capital Programme Affordability and Deliverability
CR30	A2	Ash dieback
IEE01	C2	Lack of resources to deliver programmes in recovered economic climate
IEE02	D2	Maintain community led economic development expertise
IEE05	C3	Shortage of economically deliverable sites for affordable housing development
IEE06	C3	Functional structure failure resulting in loss of life or serious injury
IEE08	C2	Reduction in harbour income leading to unsustainable operation of harbours, etc
IEE09	D2	Streetworks commissioner fines the Council
IEE10	C2	Delivery of Council's 20mph programme
IEE11	C2	Building Standards continued verification role at risk if pending vacancies due to retirement are not filled.
IEE17	C2	Resource for delivery of our Biodiversity duty under NPF4 and implications for planning
IEE20	C2	Delivery of Active Travel schemes, specifically Academy Street
IEE22	C2	Resourcing to deliver requirements of NPF4 and new development planning regulations
IEE24	C2	Resource implications of short-term lets if expanded

Designation: Executive Chief Officer Infrastructure, Environment & Economy

Date: 24 October 2023

Author: Ailsa Mackay, Business Manager  
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Background Papers: Monitoring Statement from 01/04/2023 to 30/09/2023

Appendices: Appendices 1 & 2 – Costings Q2 23-24  
Appendix 3 – Savings Q2 23-24

**INFRASTRUCTURE & ENVIRONMENT AND ECONOMY BUDGET SEPTEMBER 2023/24**

	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
<b>BY ACTIVITY</b>				
Directorate	(528)	(1,182)	1,180	1,708
Economic Development	(792)	(1,174)	(1,171)	(379)
Housing Development	1,496	1,356	1,530	34
Planning, Environment & Building Standards	(1,134)	751	(2,327)	(1,193)
Infrastructure	(1,097)	450	(493)	604
Roads & Transport	46,760	17,113	48,870	2,110
Trading Operations	(4,294)	305	(1,438)	2,856
<b>TOTAL</b>	<b>40,411</b>	<b>17,619</b>	<b>46,151</b>	<b>5,740</b>
<b>BY SUBJECTIVE</b>				
Staff Costs	43,041	20,378	44,782	1,741
Other Expenditure	75,252	32,661	82,666	7,414
<b>Gross Expenditure</b>	<b>118,293</b>	<b>53,039</b>	<b>127,448</b>	<b>9,155</b>
Grant Income	(4,665)	(3,942)	(4,429)	236
Other Income	(73,217)	(31,478)	(76,868)	(3,651)
<b>Total Income</b>	<b>(77,882)</b>	<b>(35,420)</b>	<b>(81,297)</b>	<b>(3,415)</b>
<b>NET TOTAL</b>	<b>40,411</b>	<b>17,619</b>	<b>46,151</b>	<b>5,740</b>

**INFRASTRUCTURE & ENVIRONMENT AND ECONOMY SERVICES BUDGET SEPTEMBER 2023/24**

	GROSS EXPENDITURE				ENDITURE VARIA		GROSS INCOME				NET TOTAL			
	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Staffing	£'000 Other	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
<b>BY ACTIVITY</b>														
<b>Directorate</b>														
Director & Business Team	589	(99)	2,250	1,661	1,356	305	(1,117)	(1,083)	(1,070)	47	(528)	(1,182)	1,180	1,708
<b>Economic Development</b>														
Investment Properties	791	420	789	(2)	(30)	28	(3,955)	(2,049)	(4,354)	(399)	(3,164)	(1,629)	(3,565)	(401)
Economy & Regeneration	2,232	1,477	2,128	(104)	(192)	88	(164)	(4,484)	(38)	126	2,068	(3,007)	2,090	22
Business Development & Employability	1,264	922	1,233	(31)	(181)	150	(1,154)	3,089	(1,039)	115	110	4,011	194	84
Projects E & E	510	694	376	(134)	(97)	(37)	(316)	(1,134)	(266)	50	194	(440)	110	(84)
COVID Grants	0	0	0	0	0	0	0	(109)	0	0	0	(109)	0	0
<b>Housing Development</b>														
Housing Development & PSHG	2,435	1,356	2,469	34	(21)	55	(939)	0	(939)	0	1,496	1,356	1,530	34
<b>Planning, Environment &amp; Building Standards</b>														
Management	10	9	20	10	0	10	0	0	0	0	10	9	20	10
Building Standards	1,608	838	1,645	37	18	19	(14)	(18)	(70)	(56)	1,594	820	1,575	(19)
Development Plans	616	316	576	(40)	(43)	3	(1)	0	0	1	615	316	576	(39)
Area Planning	2,577	1,231	2,303	(274)	(348)	74	0	0	0	0	2,577	1,231	2,303	(274)
Planning Appeals & Inquiries	50	13	63	13	0	13	0	0	0	0	50	13	63	13
Transport Planning	982	420	981	(1)	(7)	6	(344)	116	(351)	(7)	638	536	630	(8)
Environment	1,188	897	1,137	(51)	(75)	24	(186)	(244)	(143)	43	1,002	653	994	(8)
Planning Fee Income	176	352	396	220	0	220	(4,674)	(2,119)	(5,478)	(804)	(4,498)	(1,767)	(5,082)	(584)
Planning Fee Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Warrant Fee Income	0	17	17	17	0	17	(3,122)	(1,077)	(3,423)	(301)	(3,122)	(1,060)	(3,406)	(284)
<b>Infrastructure</b>														
Project Design Unit	6,160	2,542	5,663	(497)	(405)	(92)	(7,288)	(2,105)	(6,183)	1,105	(1,128)	437	(520)	608
Flood Risk Assessment	35	13	27	(8)	(8)	0	(4)	0	0	4	31	13	27	(4)
<b>Roads &amp; Transport</b>														
Winter Maintenance	5,611	218	5,611	0	0	0	0	0	0	0	5,611	218	5,611	0
Roads Maintenance	25,838	12,729	26,759	921	127	794	(17,346)	(7,983)	(17,477)	(131)	8,492	4,746	9,282	790
Engineering Services	3,848	2,203	4,467	619	450	169	(478)	(651)	(1,279)	(801)	3,370	1,552	3,188	(182)
Flood Alleviation	31	6	31	0	(2)	2	0	0	0	0	31	6	31	0
Lighting Services	6,646	2,812	6,394	(252)	(229)	(23)	(3,515)	(2,476)	(3,261)	254	3,131	336	3,133	2
Integrated Transport Services	1,046	1,342	2,431	1,385	692	693	(263)	(319)	(1,276)	(1,013)	783	1,023	1,155	372
Subsidies & Concessionary Fares	13,461	5,305	13,573	112	(3)	115	(8,030)	1	(7,970)	60	5,431	5,306	5,603	172
School Transport	22,083	5,247	22,874	791	0	791	(51)	(4)	(40)	11	22,032	5,243	22,834	802
Car Parks	2,234	1,366	3,165	931	677	254	(4,355)	(2,683)	(5,132)	(777)	(2,121)	(1,317)	(1,967)	154
<b>Trading Operations</b>														
Harbours & Ferries	16,272	10,393	20,070	3,798	62	3,736	(20,566)	(10,088)	(21,508)	(942)	(4,294)	305	(1,438)	2,856
<b>TOTAL</b>	<b>118,293</b>	<b>53,039</b>	<b>127,448</b>	<b>9,155</b>	<b>1,741</b>	<b>7,414</b>	<b>(77,882)</b>	<b>(35,420)</b>	<b>(81,297)</b>	<b>(3,415)</b>	<b>40,411</b>	<b>17,619</b>	<b>46,151</b>	<b>5,740</b>

# Appendix 2

Category	Ref	Service Type	Saving Description	Agreed Saving £m	Describe the actions progressed to implement the saving	Does this conclude saving implementation YES/NO	What further actions will be taken forward to deliver the saving?	Are there risks and issues relating to achieving the saving amount in 23/24, describe these?	What remedial action or mitigations are proposed?	What value of saving do you forecast for 23/24 (to capture any variation – more or less – than what was agreed by C)	BRAG status	Comments for Committee Report
Budget Not Required for Original Purpose	2.1c	I&E	Staffing	0.030	Postholder is retiring 30/11/23	yes				0.030	G	
Budget Not Required for Original Purpose	2.1d	I&E	Staffing	0.020	Staff redesign project	tbc	To be monitored throughout year			0.020	G	
Budget Not Required for Original Purpose	2.2b	I&E	Non-Staffing	0.300	Coastal Communities Fund	yes			Removed from budget	0.300	B	
Budget Not Required for Original Purpose	2.2c	I&E	Non-Staffing	0.080	Active Travel/Safer Routes to School	yes	Full cost recovery for staffing from external grant will achieve this saving			0.080	G	
Service Redesign and Efficiency	3.4	I&E	Non-Staffing	0.150	Street Lighting	yes	Operational budget has been reduced.			0.150	G	
Service Redesign and Efficiency	3.10	I&E	Staffing	0.100	Roads Redesign	no	One of the work streams of roads redesign project is to review the staffing structure of the roads operational teams.	Work in progress. It is anticipated this review will achieve the staff saving, but is unlikely to be implemented until the end of 23/24		0.040	A	Work in progress. It is anticipated this review will achieve the staff saving, but is unlikely to be implemented until the end of 23/24.
Service Redesign and Efficiency	3.11	I&E	Staffing	0.030	Harbours	no	Staff saving not achievable due to operational needs.	Work in progress. It is anticipated that additional income from harbour dues will achieve the financial target.		0.030	G	
Service Redesign and Efficiency	3.12	I&E	Staffing	0.030	Commercial Property	yes				0.030	A	
Contract Management and Procurement	4.1	I&E	Non-Staffing	0.050	Private Sector Housing Grants	yes	Removed from budget			0.050	G	
Contract Management and Procurement	4.3	I&E	Staffing	0.030	School and Public Transport	no	Back office efficiencies are dependant on new software being in place, this is still under development. There is currently a vacancy which cannot be deleted as it is a substantive post of a project officer in team	staff vacancy remains unfilled so financial saving should be achieved.		0.030	B	
Contract Management and Procurement	4.4	I&E	Non-Staffing	0.120	Fuel: Marine Gas Oil contract	no	Contract for marine gas oil has been drawn up and tendered by shared Services Procurement Team (previously procured via local buy in)	Tender evaluation process complete. Results under discussion and report from procurement team anticipated to confirm outcome		0.120	A	Partial saving to be achieved in 23/24.
Removal or Reduction in Service	6.1	I&E	Staffing	0.060	Employability	no	reduction of FTE through focused employability review	vacancies are being held until review is complete		0.060	A	
Removal or Reduction in Service	6.2a	I&E	Staffing	0.070	Long Distance Routes	no	Consultation has taken place regarding the redeployment of two members from LDR team one redeployment has taken place and one still dependant on a suitable vacancy arising	2 fte £0.70m (previously £0.78m)		0.070	G	
Removal or Reduction in Service	6.2b	I&E	Staffing	0.147	Vacancy Management - including opportunity-led by natural turnover, flexible retirements etc.	no	Vacancy Management across the Service to deliver saving in 23/24.			0.147	A	Vacancy Management across the Service to deliver saving in 23/24.
Removal or Reduction in Service	6.3	I&E	Staffing	0.050	Building Standards	yes	Vacant post will be deleted			0.050	G	
Removal or Reduction in Service	6.4	I&E	Staffing	0.050	Access	yes	1fte reduction to be achieved by utilising Enforcement Officer and £0.050m fee income to fund post			0.050	G	
Removal or Reduction in Service	6.5	I&E	Staffing	0.040	Street Lighting	yes	Restructure of street lighting team has resulted in staffing saving			0.040	G	
Increasing Income - Discretionary Services	7.2a	I&E	Non-Staffing	0.100	Car Parking - Increase Parking Charges	yes	Car park charges have been increased to deliver this saving			0.100	A	
Increasing Income - Discretionary Services	7.2b	I&E	Non-Staffing	0.100	Car Parking - Increase number of Invitation to Pay Car Parks	yes	Additional list of 21 car parks have been agreed and will be implemented in 23/24			0.100	G	
Increasing Income - Discretionary Services	7.4	I&E	Non-Staffing	0.300	Planning and Building Standards	yes	Fee target increase 23/24			0.300	G	
Increasing Income - Contribution to Cost Recovery	7.7	I&E	Non-Staffing	0.020	Charging for Events	no	Revised policy to be presented to E & I committee in November to implement charging for events	Committee approval will be sought in November to implement.		0.020	A	Committee approval will be sought in November to implement.
Increasing Income - Commercial	7.14	I&E	Non-Staffing	0.300	Commercial Portfolio	yes	Additional income through rent reviews			0.300	G	
Increasing Income - Commercial	7.15	I&E	Non-Staffing	0.100	Harbour Dues and Fees	yes	Harbour dues have been increased to deliver increased income target			0.100	G	
Increasing Income - Commercial	7.16	I&E	Non-Staffing	0.100	Income Review across a range of cost centres across the IEE Service	no	Increased income has been impacted by corran ferry service outage which has meant the proposed increase in fares has not been implemented. No fare income has been	Service pressure which we will try to manage through service budget.		0.100	A	Service pressure to be managed through service budget.