

The Highland Council

Agenda Item	4
Report No	ECI/01/2024

Committee: Economy and Infrastructure

Date: 15 February 2023

Report Title: Quarterly Revenue and Performance Monitoring Report Quarter 3 2023/24

Report By: Executive Chief Officer Infrastructure, Environment and Economy

1 Purpose/Executive Summary

1.1 This report provides Members with the Quarter 3 to 31 December 2023 monitoring statement for Infrastructure, Environment and Economy. The Service budget for 2023/24 is £43.783m with a predicted end of year overspend forecast of £5.935m. A significant element of this forecast overspend relates to the significant pressures arising from the Corran Ferry outage (contingency arrangements and loss of income) as well as contract pressures arising from the school transport contracts.

1.2 This report also provides performance information for Quarter 2 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 3 2023/24 performance information was not available at the time of writing the report due to the timing of the committee meeting.

2 Recommendations

2.1 Members are asked to:-

- i) **NOTE** the position for the third quarter of the 2023/24 financial year, and the predicted year-end position;
- ii) **NOTE** that the budget gap may change positively or negatively depending on the application of expenditure and recruitment controls, filling fee earning posts in an extremely challenging job market, adjusting services to meet previously agreed budget savings, in-year income recovery, and identifying new income and procurement opportunities; and
- iii) **NOTE** the progress update provided in relation to corporate budget savings delivery.

3 Implications

- 3.1 **Resource** - Issues arising in Quarter 3 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 3 2023/24
- 4.1 Revenue monitoring statements showing actual expenditure up to Quarter 3 2023/24 and year-end estimates are set out in **Appendix 1**.

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 3 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, but once external funding is received and accounted for, will be reporting an underspend; 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 £0.979m owing to increased income arising from Planning Fees. This is a slight reduction from the position reported at Quarter 2, which is largely due to a reduction in Building Warrant Fee income. The year-end estimate will be kept under review.

4.3.4 Infrastructure - Project Design Unit (PDU) forecasts an under recovery of income of £0.736m, 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 £0.869m due to increased hired plant, vehicle and contractor costs as reported at Quarter 2 and Flood/Storm damage incurred in Q3 which to date accounts for £0.123m of the overspend.

4.3.6 Engineering Services forecasts an underspend of £0.139m due to greater staff time charged to capital.

4.3.7 Lighting Services forecasts an underspend of £0.132m. This reduction in overspend from Quarter 1 is due to a budget feed held centrally for energy costs, plus increased income from 3rd party works and the LED programme continuing to help reduce costs.

- 4.3.8 Integrated Transport Services forecasts an overspend of £0.434m 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. This is an accounting issue that will be required to be dealt with as part of the budget setting for 2024/5.
- 4.3.9 School Transport forecasts an increased overspend of £1.506m due to an increase in ASN school transport requirements, notably Drummond School, and the removal of costs associated with COVID pressures from the 2023/24 budget feed, which was understated at Quarter1 and Quarter 2. This is again an issue that was not fully reflected in budget setting, and as a result, will also require to be rebased for the 2024/25 year, given that the contracts are in place for the coming years.
- 4.3.10 Car Parks forecast a reduced overspend of £0.010m than that predicted at Quarter 2 due to a reduction in staff costs and supplies/services.
- 4.3.11 Harbours and Ferries:-
- Harbour dues have achieved a higher level of income than predicted at £0.492m.
 - Corran Ferry forecasts an overspend of £3.408m due to loss of income and increasing repair and overhaul costs as reported at Quarter 1.
- 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 2 the Service lost an average of 2.11 days per employee compared to an average of 2.08 for the Council as a whole.

Infrastructure, Environment and Economy

Average number working days per employee lost through sickness absence

Average Days Lost	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24
Infrastructure, Environment and Economy	0.55	0.76	1.67	1.76	1.55	2.95	2.85	2.11
Highland Council	1.83	2.22	2.24	1.58	1.89	2.88	2.48	2.08

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 2 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

	Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24	
Infrastructure, Environment & Economy	30	57 %	27	59 %	31	39 %	22	77 %	42	93 %	36	92 %	32	81 %	30	73 %
Highland Council	207	62 %	161	62 %	170	61 %	163	90 %	137	93 %	101	90 %	160	92 %	135	79 %

Investigation Resolution within 20 days

	Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24	
Infrastructure, Environment & Economy	20	25 %	9	56 %	8	13 %	14	21 %	13	54 %	17	29 %	19	47 %	12	17 %
Highland Council	68	54 %	48	44 %	65	46 %	54	31 %	49	47 %	63	41 %	97	63 %	85	49 %

Escalated Resolution within 20 days

	Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24	
Infrastructure, Environment & Economy	16	38 %	20	25 %	8	13 %	10	40 %	2	0 %	4	0 %	8	25 %	9	44 %
Highland Council	45	51 %	57	37 %	38	18 %	34	32 %	22	36 %	15	33 %	32	50 %	32	41 %

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 2 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	Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24	
		126	83 %	119	67 %	126	67 %	97	78 %	98	78 %	127	69 %	124	81 %	89

% FOIs Compliant - Highland Council	Q3 21/22		Q4 21/22		Q1 22/23		Q2 22/23		Q3 22/23		Q4 22/23		Q1 23/24		Q2 23/24	
		414	84 %	400	76 %	462	73 %	364	82 %	478	81 %	536	75 %	399	84 %	333

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	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24
Infrastructure, Environment and Economy	96.9 %	94.2 %	98.1 %	96.3 %	97.2 %	96.2 %	97.8 %	97.7 %
Highland Council	94.2 %	89.1 %	94.1 %	94.2 %	95.1 %	94.9 %	95.1 %	96.7 %

Invoice Payment less than 10 days	Q3 21/22	Q4 21/22	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24
Infrastructure, Environment and Economy	76.2 %	58.0 %	80.6 %	82.6 %	83.9 %	81.6 %	86.9 %	85.7 %
Highland Council	67.8 %	53.1 %	67.5 %	73.4 %	70.4 %	71.6 %	72.8 %	80.9 %

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
Implement new bus contract management software tool CP2.01	Q4 22/23	Some Slippage	Q1 23/24	On Target	Q2 23/24	On Target
Implement Raigmore Bus Gate CP2.01	Q4 22/23	Some Slippage	Q1 23/24	Some Slippage	Q2 23/24	Some Slippage
Income from hire of council buses - start reporting FY23/24 CP2.01	FY 20/21		FY 21/22		FY 22/23	
No. low carbon buses in Council fleet - start reporting 23/24 CP2.01	FY 20/21		FY 21/22		FY 22/23	
No. of community transport projects supported CP2.01	FY 20/21		FY 21/22		FY 22/23	25
Deliver Permanent Road Traffic Regulation Orders for 20 mph speed limits CP2.02	Q4 22/23		Q1 23/24	On Target	Q2 23/24	On Target
Early Adoption of 20mph speed limits - start reporting 23/24 CP2.02	FY 20/21		FY 21/22		FY 22/23	
Ensure annual delivery of SG Safer Routes to School programme CP2.02	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Road network to be considered for maintenance CP2.03	FY 20/21	39.1 %	FY 21/22	36.7 %	FY 22/23	36.5 %
Delivery of 22 Tier 1 priority projects in Highland Strategic Tourism Infrastructure Development Plan - start reporting Q1 24/25 CP2.06/CP5.07	Q4 22/23		Q1 23/24		Q2 23/24	
Delivery of City/Region deal digital project - start reporting Q1 24/25 CP2.08	Q4 22/23		Q1 23/24		Q2 23/24	
Proportion of properties receiving superfast broadband CP2.08 ECON08	FY 20/21	84 %	FY 21/22	83 %	FY 22/23	86 %
Complete next stages of Corran Ferry replacement project CP2.09	Q4 22/23	On Target	Q1 23/24	Some Slippage	Q2 23/24	Some Slippage
Deliver Uig Ferry Terminal Project CP2.09	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Progression of Inverness Railway Station Master Plan to detailed design CP2.09	Q4 22/23	Some Slippage	Q1 23/24	Some Slippage	Q2 23/24	Some Slippage
Complete Inverness Levelling-Up Fund project CP2.10	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Ensure percentage of wind production remains within the region as a local investment CP2.10	Q4 22/23		Q1 23/24		Q2 23/24	On Target
Establish an up to date inward investment proposition CP2.10	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Refresh website and establish baseline for "Number of enquiries through refreshed website p.a." CP2.10	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Develop a community wealth building strategy CP2.11	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Develop a strategy to map funding opportunities aimed at community energy projects CP2.11	Q4 22/23		Q1 23/24	On Target	Q2 23/24	Some Slippage

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

PIs/Actions in the Corporate Plan	Period	Data	Period	Data	Period	Data
No. council houses built/ purchased per year 2022-27 CP3.01	FY 20/21		FY 21/22		FY 22/23	180
No. affordable houses built by others per year 2022-27 CP3.03	FY 20/21		FY 21/22		FY 22/23	200
Complete project to convert part of HQ building into flats CP3.06	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	No Significant Progress
Avg time [wks] per planning application - all Local Developments CP3.07	FY 20/21	11.6	FY 21/22	13.1	FY 22/23	16.2
Avg time [wks] per planning application - all Majors CP3.07	FY 20/21	27.8	FY 21/22	56.7	FY 22/23	75.2
Avg time [wks] per planning application - Other Consents CP3.07	FY 20/21	9.8	FY 21/22	9.9	FY 22/23	12.1
No. key worker homes made available avg p.a. 2022-27 CP3.08	FY 20/21		FY 21/22		FY 22/23	10
BSIP submitted to Economy and Infrastructure Committee CP3.09	Q4 22/23	On Target	Q1 23/24	Some Slippage	Q2 23/24	Some Slippage
Deliver Active Travel Infrastructure project: Academy Street CP4.01	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	Some Slippage
Deliver Active Travel Infrastructure project: Culbokie CP4.01	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Deliver Active Travel Infrastructure project: Kingussie CP4.01	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Deliver Active Travel Infrastructure project: Wick CP4.01	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	Some Slippage
Deliver Inverness Active Travel Network schemes CP4.01	Q4 22/23	Some Slippage	Q1 23/24	Some Slippage	Q2 23/24	Some Slippage
No. Funding Opportunities aimed at Community Energy Projects - due to start reporting FY23/24 CP4.03	FY 20/21		FY 21/22		FY 22/23	
% of Nature Restoration Fund Allocated CP4.04	FY 20/21		FY 21/22		FY 22/23	100 %
Consideration of the Flow Country as a UNESCO world heritage site - start reporting Q1 24/25 CP4.04	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Deliver Ecological Strategy CP4.05	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Map council land available for biodiversity enhancement CP4.05	Q4 22/23		Q1 23/24	On Target	Q2 23/24	On Target
Map Highland carbon resources CP4.05	Q4 22/23		Q1 23/24	Some Slippage	Q2 23/24	No Significant Progress
Street lighting energy consumption CP4.07	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 was held in November to help determine which areas of the process require more focus and support.

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

PIs/Actions in the Corporate Plan	Period	Data	Period	Data	Period	Data
ERDs being completed - IEE CP5.01	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Carry out full review of Employability Services offered by the Council CP5.02	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	On Target
Percentage of Unemployed People Assisted into work CP5.02 ECON01	FY 20/21	1.13 %	FY 21/22	11.68 %	FY 22/23	9.71 %
No. new Modern Apprenticeships/Paid Placements and Youth Traineeships CP5.02	FY 20/21		FY 21/22		FY 22/23	148
No. new Youth Traineeships CP5.02	FY 20/21		FY 21/22		FY 22/23	22
No. of new Paid Placements CP5.02	FY 20/21		FY 21/22		FY 22/23	62
Guidance to communities to develop their own Local Place Plans CP5.05	Q4 22/23	On Target	Q1 23/24	On Target	Q2 23/24	Completed
No. Business Gateway start-ups per 10000 popn CP5.09 ECON05	FY 20/21	7.35	FY 21/22	8.49	FY 22/23	13.23
Number of businesses supported by Council ED and BG CP5.09	FY 20/21	15,319	FY 21/22	2,208	FY 22/23	2,742
Introduce tourism levy - start reporting Q1 25/26 CP5.11	Q4 22/23		Q1 23/24		Q2 23/24	

7 Service Plan Progress

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

Roads and Infrastructure Q2 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	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q2 24/25
Develop the Health and Safety system structure for Roads Service activities	Q1 23/24	On Target	Q2 23/24	Some Slippage		Due to complete Q2 24/25
Develop the Roads Redesign Action Plan and associated programme of works	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q2 24/25
Road network - A Class ENV4b	FY 21/22	26.3 %	FY 22/23	26.2 %	27.4 %	HC update - due June LGBF update - due December
Road network - B Class ENV4c	FY 21/22	35.8 %	FY 22/23	34.3 %	31.5 %	HC update - due June LGBF update - due December
Road network - C Class ENV4d	FY 21/22	37.9 %	FY 22/23	39.3 %	32.7 %	HC update - due June LGBF update - due December
Road Network - U Class ENV4e	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	Q1 23/24	On Target	Q2 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	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q2 24/25

Planning, Environment and Low-Carbon Transport Q2 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	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q1 24/25
Completion of Examination stage and adoption of Inner Moray Firth Plan	Q1 23/24	On Target	Q2 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	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q3 23/24
Develop overarching Transport Strategy and secure Member Approval	Q1 23/24	On Target	Q2 23/24	Some Slippage		Due to complete Q2 24/25
Identify potential project pipeline for Active Travel	Q1 23/24	On Target	Q2 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	Q1 23/24	On Target	Q2 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	Q1 23/24	On Target	Q2 23/24	Completed		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	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q3 23/24

Economic Development Q2 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	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q1 24/25
Incorporate Child Poverty funding in Employability Team/Partnership delivery workplan	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q2 23/24
Incorporate Child Poverty work in Employability Review to take forward recommendations/actions	Q1 23/24	On Target	Q2 23/24	On Target		Due to complete Q3 23/24
No. unemployed parents supported into work - start reporting Q1 23/24	FY 21/22		FY 22/23			Update - due September
No. working parents supported to progress in work - start reporting Q1 23/24	FY 21/22		FY 22/23			Update - due September
Communicate process to capture community-based energy projects cross-council	Q1 23/24	On Target	Q2 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.

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: 1 February 2024

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Brian Scobie, Corporate Performance Business Partner

Background Papers: None

Appendices: Appendices 1 & 2 – Costings Q3 23-24
Appendix 3 – Savings Q3 23-24

INFRASTRUCTURE & ENVIRONMENT AND ECONOMY BUDGET DECEMBER 2023/24

	£'000 Annual Budget	£'000 Actual YTD	£'000 Year End Estimate	£'000 Year End Variance
BY ACTIVITY				
Directorate	2,074	(1,366)	3,518	1,444
Economic Development	(828)	(2,415)	(1,627)	(799)
Housing Development	1,496	2,019	1,527	31
Planning, Environment & Building Standards	(933)	955	(1,942)	(1,009)
Infrastructure	(1,099)	417	(375)	724
Roads & Transport	47,267	31,770	49,895	2,628
Trading Operations	(4,194)	(822)	(1,278)	2,916
TOTAL	43,783	30,558	49,718	5,935
BY SUBJECTIVE				
Staff Costs	43,097	33,472	44,259	1,162
Other Expenditure	78,624	54,520	87,637	9,013
Gross Expenditure	121,721	87,992	131,896	10,175
Grant Income	(4,665)	(7,328)	(4,901)	(236)
Other Income	(73,273)	(50,106)	(77,277)	(4,004)
Total Income	(77,938)	(57,434)	(82,178)	(4,240)
NET TOTAL	43,783	30,558	49,718	5,935

INFRASTRUCTURE & ENVIRONMENT AND ECONOMY SERVICES BUDGET DECEMBER 2023/24

	GROSS EXPENDITURE				EXPENDITURE VARIANCE		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
BY ACTIVITY														
Directorate														
Director & Business Team	3,191	228	4,588	1,397	1,143	254	(1,117)	(1,594)	(1,070)	47	2,074	(1,366)	3,518	1,444
Economic Development														
Investment Properties	818	666	915	97	(27)	124	(3,954)	(3,193)	(4,243)	(289)	(3,136)	(2,527)	(3,328)	(192)
Economy & Regeneration	2,212	2,713	2,006	(206)	(191)	(15)	(163)	(4,445)	(145)	18	2,049	(1,732)	1,861	(188)
Business Development & Employability	1,284	1,314	548	(736)	(178)	(558)	(1,154)	875	(711)	443	130	2,189	(163)	(293)
Projects E & E	445	955	341	(104)	(24)	(80)	(316)	(1,191)	(338)	(22)	129	(236)	3	(126)
COVID Grants	0	0	0	0	0	0	0	(109)	0	0	0	(109)	0	0
Housing Development														
Housing Development & PSHG	2,435	2,311	2,600	165	(24)	189	(939)	(292)	(1,073)	(134)	1,496	2,019	1,527	31
Planning, Environment & Building Standards														
Management	10	9	13	3	1	2	0	0	0	0	10	9	13	3
Building Standards	1,608	1,363	1,731	123	27	96	(14)	(228)	(281)	(267)	1,594	1,135	1,450	(144)
Development Plans	616	498	645	29	(26)	55	(1)	0	0	1	615	498	645	30
Area Planning	2,628	1,994	2,356	(272)	(298)	26	0	0	0	0	2,628	1,994	2,356	(272)
Planning Appeals & Inquiries	50	62	77	27	0	27	0	0	0	0	50	62	77	27
Transport Planning	1,045	807	1,079	34	(153)	187	(380)	(2)	(429)	(49)	665	805	650	(15)
Environment	1,330	1,717	1,797	467	(111)	578	(186)	(543)	(668)	(482)	1,144	1,174	1,129	(15)
Planning Fee Income	207	439	476	269	0	269	(4,724)	(3,526)	(6,088)	(1,364)	(4,517)	(3,087)	(5,612)	(1,095)
Planning Fee Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building Warrant Fee Income	0	40	54	54	0	54	(3,122)	(1,675)	(2,704)	418	(3,122)	(1,635)	(2,650)	472
Infrastructure														
Project Design Unit	6,158	4,111	5,600	(558)	(374)	(184)	(7,288)	(3,708)	(5,995)	1,293	(1,130)	403	(395)	735
Flood Risk Assessment	35	14	20	(15)	(15)	0	(4)	0	0	4	31	14	20	(11)
Roads & Transport														
Winter Maintenance	5,611	1,956	5,611	0	0	0	0	0	0	0	5,611	1,956	5,611	0
Roads Maintenance	25,844	19,527	27,300	1,456	(48)	1,504	(17,347)	(12,221)	(17,934)	(587)	8,497	7,306	9,366	869
Engineering Services	3,674	3,410	4,420	746	525	221	(485)	(1,089)	(1,370)	(885)	3,189	2,321	3,050	(139)
Flood Alleviation	34	9	34	0	0	0	0	0	0	0	34	9	34	0
Lighting Services	7,274	5,073	7,039	(235)	(218)	(17)	(3,514)	(3,067)	(3,411)	103	3,760	2,006	3,628	(132)
Integrated Transport Services	985	1,996	2,445	1,460	751	709	(228)	(955)	(1,254)	(1,026)	757	1,041	1,191	434
Subsidies & Concessionary Fares	13,461	9,017	13,492	31	(4)	35	(8,029)	(1)	(7,980)	49	5,432	9,016	5,512	80
School Transport	22,084	10,390	23,548	1,464	0	1,464	(52)	(7)	(10)	42	22,032	10,383	23,538	1,506
Car Parks	2,309	2,117	2,904	595	413	182	(4,354)	(4,385)	(4,939)	(585)	(2,045)	(2,268)	(2,035)	10
Trading Operations														
Harbours & Ferries	16,373	15,256	20,257	3,884	(7)	3,891	(20,567)	(16,078)	(21,535)	(968)	(4,194)	(822)	(1,278)	2,916
TOTAL	121,721	87,992	131,896	10,175	1,162	9,013	(77,938)	(57,434)	(82,178)	(4,240)	43,783	30,558	49,718	5,935

Appendix 3

Category	Ref	Service	Type	Saving Description	Agreed Saving £m	Describe the actions progressed to implement the saving	Does this conclude saving implementation on 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 Council)	BRAG status	Comments for Committee Report
Budget Not Required for Original Purpose	2.1c	I&E&E	Staffing	Deletion of Business Manager Post	0.030	Postholder is retiring 30/1123	yes				0.030	G	
Budget Not Required for Original Purpose	2.1d	I&E&E	Staffing	Removal of Film Enquiries Work	0.020	Staff redesign project	tbc	To be monitored throughout year			0.020	G	
Budget Not Required for Original Purpose	2.2b	I&E&E	Non-Staffing	Coastal Communities Fund	0.300		yes			Removed from budget	0.300	B	
Budget Not Required for Original Purpose	2.2c	I&E&E	Non-Staffing	Active Travel/Safer Routes to School	0.080	Full cost recovery for staffing from external grant will achieve this saving.	yes				0.080	G	
Service Redesign and Efficiency	3.4	I&E&E	Non-Staffing	Street Lighting	0.150	Operational budget has been reduced.	yes				0.150	G	
Service Redesign and Efficiency	3.10	I&E&E	Staffing	Roads Redesign	0.100	One of the work streams of roads redesign project is to review the staffing structure of the roads operational teams.	no	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&E	Staffing	Harbours	0.030	Staff saving not achievable due to operational needs.	no	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&E	Staffing	Commercial Property	0.030		yes				0.030	A	
Contract Management and Procurement	4.1	I&E&E	Non-Staffing	Private Sector Housing Grants	0.050	Removed from budget	yes				0.050	G	
Contract Management and Procurement	4.3	I&E&E	Staffing	School and Public Transport:	0.030	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.	no	staff vacancy remains unfilled so financial saving should be achieved.			0.030	B	
Contract Management and Procurement	4.4	I&E&E	Non-Staffing	Fuel: Marine Gas Oil contract	0.120	Contract for marine gas Oil has been drawn up and tendered by shared Services Procurement Team (previously procured via local buy in).	no	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&E	Staffing	Employability	0.060	reduction of FTE through focused employability review	no	vacancies are being held until review is complete			0.060	A	
Removal or Reduction in Service	6.2a	I&E&E	Staffing	Long Distance Routes	0.070	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.	no	2 fte £0.70m(previously£0.78m)			0.070	G	
Removal or Reduction in Service	6.2b	I&E&E	Staffing	Vacancy Management - including opportunity-led by natural turnover, flexible retirements etc.	0.147	Vacancy Management across the Service to deliver saving in 23/24.	no				0.147	A	Vacancy Management across the Service to deliver saving in 23/24.
Removal or Reduction in Service	6.3	I&E&E	Staffing	Building Standards	0.050	Vacant post will be deleted	yes				0.050	G	
Removal or Reduction in Service	6.4	I&E&E	Staffing	Access	0.050	1fte reduction to be achieved by utilising Enforcement Officer and £0.050m fee income to fund post	yes				0.050	G	
Removal or Reduction in Service	6.5	I&E&E	Staffing	Street Lighting	0.040	Restructure of street lighting team has resulted in staffing saving	yes				0.040	G	
Increasing Income - Discretionary Services	7.2a	I&E&E	Non-Staffing	Car Parking - Increase Parking Charges	0.100	Car park charges have been increased to deliver this saving	yes				0.100	A	
Increasing Income - Discretionary Services	7.2b	I&E&E	Non-Staffing	Car Parking - Increase number of Invitation to Pay Car Parks	0.100	Additional list of 21 car parks have been agreed and will be implemented in 23/24	yes				0.100	G	
Increasing Income - Discretionary Services	7.4	I&E&E	Non-Staffing	Planning and Building Standards	0.300	Fee target increase 23/24	yes				0.300	G	
Increasing Income - Contribution to Cost Recovery	7.7	I&E&E	Non-Staffing	Charging for Events	0.020	Revised policy to be presented to E & I committee in November to implement charging for events	no	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&E	Non-Staffing	Commercial Portfolio	0.300	Additional income through rent reviews	yes				0.300	G	
Increasing Income - Commercial	7.15	I&E&E	Non-Staffing	Harbour Dues and Fees	0.100	Harbour dues have been increased to deliver increased income target	yes				0.100	G	
Increasing Income - Commercial	7.16	I&E&E	Non-Staffing	Income Review across a range of cost centres across the IEE Service	0.100	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 received since 3/4/2023	no	Service pressure which we will try to manage through service budget .			0.100	A	Service pressure to be managed through service budget .