# Appendix D

**Regeneration – 2025/26 Period Seven Revenue Monitoring**

**Briefing Paper of the Director of Regeneration**

1. **Purpose of the Paper and Summary**

1.1. To provide an overview of the budget for Regeneration, how the budget is influenced by demand levels, what performance measures are used to monitor this and the service actions to control demand and mitigate overspending whilst improving quality.

2. **Background / Introduction**

2.1 The budget for 2025-26 set by Council in February 2025 is predicated on assessed staffing structures, forecast demand metrics and contractual commitments within the Regeneration Directorate. The budget is monitored for financial considerations each reporting period the outcomes of which are reported formally.

3. **Summary**

3.1. This is the third in a series of in-year reports to Members and covers the position at the end of October, Period 7.

3.2. The financial return at the bottom of this report shows the overall summary for the Directorate split by service area. This includes the annual net budget per service, the projected year end forecast and the projected year end variance together with progress on delivery of savings.

3.3. The Directorate is predicting an overspend position of £1.002m. This includes a number of service risks that are detailed in the report and will be monitored closely with further information provided in future monitoring reports.

4. **Current Position and Forecast**

**Economic Development & Regeneration**

4.1. The service overall is forecasting a breakeven position.

4.2. Whist pressures are emerging on building control fees due to recent changes in legislation these can be offset in year due to savings on vacancies within the service.

4.3. Hull Training & Adult Education is forecasting a broadly a breakeven outturn position which is predicated on apprenticeship numbers being as budgeted and required vacancies are filled to fulfil these obligations. This area is being monitored closely due to the volatility that can occur.

**Property & Assets**

4.4. The service is reporting a breakeven position.

4.5. There are a number of inflationary pressures relating to CPI contractual increases which are being partly offset by one off savings within the service but the underlying base pressure exists.

4.6. The current budget includes a £350k saving relating to the asset disposal programme which has been delayed to facilitate works on the Treasury Building. The saving cannot therefore be directly delivered and an alternative plan to deliver this saving across the directorate is being developed.

4.7. Whilst commercial rents income relating to shops continues to be a pressure due to low occupancy, other commercial rents in the portfolio are offsetting this pressure. Short term rental income is creating the positive variance but this is due to cease in 2026/27. The overachievement is being used to offset other pressures within the service.

**Chief Executive**

4.8. No significant variance is anticipated.

**Major Projects**

4.9. The service is reporting an underspend of £158k.

4.10. Small service pressures due to the reduced income from the New Road & Street Works Act are still apparent but it is anticipated that they will be offset by an underspend on energy costs for Street Lighting due to a reduction in unit price compared to 2024/25.

4.11. The Street Lighting Operations budget is reporting a pressure of £414k due to increased contract charges but this will be mitigated by the capitalisation of expenditure.

**Culture, Place & City Centre**

**4.12.** The service is anticipating some small pressures relating to the Connexin profit share and Hull Volunteer Programme. However, these will be mitigated this year by delays in staff recruitment within the investment programme to support transformation of the Culture and Heritage Strategy.

**Streetscene**

4.13. The service is reporting a pressure of £1.160m largely relating to these areas:

4.14. Fleet transport is forecast to exceed the budget by £500k and is partly due to the spot hire of refuse collection vehicles whilst some of the existing fleet is refurbished and higher than budgeted repairs and maintenance. The on-going replacement of assets are also incurring a higher cost.

4.15. Income from the sale of recyclable materials continues to be subject to changes in the global market. Average prices per tonne have fallen reducing the income expectation which is anticipated to be slightly worse than last year with a shortfall / pressure of c£250k.

4.16. Parking income to date is similar to this point last financial year and a similar income profile is anticipated this year resulting in a pressure of c£440k. This is due to the reduction in parking spaces available over recent years. The Secretary of State has approved the transfer of powers to the Council for Moving Traffic Violations at the junction of Brook Street and Ferensway and is expected to become operational in the latter part of the year; this will generate some additional revenue but the budget includes an expectation of this.

4.17. A pressure on Waste Disposal of c£1.07m remains due to contract changes and inflation, but this has been offset by a contribution from corporate contingencies.

4.18. The Concessionary Fares have now been agreed and after a £310k BSIP funding contribution to offset the increase, the inflationary pressure of £570k remains, but has been offset by a contribution from corporate contingencies.

4.19. The budget includes a £200k saving regards CCTV efficiencies however, this is not expected to be delivered this year and an alternative plan to achieve this is being worked on.

4.20. A number of smaller contractual increasing totalling £168k will be offset by a contribution from corporate contingencies.

4.21. The rollout of the Simpler Recycling scheme to all households in early 2026 will create additional costs of c£1m part year. These costs will be offset by the Extended Producer Responsibilities payment received but regular monitoring of costs will need to be undertaken.

**Chris Jackson – Director of Regeneration**

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Officer Interests: None
Background Documents: - None

# Financial Year 2025/26

## Director of Regeneration Services

### Summary Directorate Position

| Director of Regeneration Services | Full Year Budget | Year End Forecast | Projected Year-end Variance |
|---|---|---|---|
| **Service Area** | **£'000** | **£'000** | **£'000** |
| Economic Development and Regeneration | 6,039 | 6,039 | 0 |
| Property & Assets | 12,313 | 12,313 | 0 |
| Chief Executive | 1,055 | 1,055 | 0 |
| Major Projects | 5,119 | 4,961 | -158 |
| Culture, Place & City Centre | 3,402 | 3,402 | 0 |
| Streetscene | 38,851 | 40,011 | 1,160 |
| **NET EXPENDITURE** | **66,779** | **67,781** | **1,002** |

**2024/25 Efficiency Savings rolled into 2025/26**

| Service Area | Programme / Project | Savings Target | Savings expected to be achieved | Savings Variance | RAG (Red / Amber / Green) Rating of current risk position | Explanation required? | Explanation for variance |
|---|---|---|---|---|---|---|---|
| | | 2025/26 | 2025/26 | 2025/26 | | | |
| | | £000's | £000's | £000's | | | |
| Economic Development and Regeneration | Income uplift - Fees and Charges | 110 | 110 | 0 | GREEN | No | Relates to planning development activity that varies over time. Currently anticipate activity will be at a level to achieve this. |
| Streetscene | CCTV cameras | 200 | 200 | 0 | GREEN | No | Linked to capital programme development, revenue saving not expected this year. Working on alternative plan to still achieve savings |
| Streetscene | Income uplift - Fees and Charges | 50 | 13 | -37 | AMBER | Please provide explanation for variance | Secretary of State has approved transfer of powers to the Council regards moving traffic violations at junction of Brook St and Ferensway. There is a lead-in time re TRO's and equipment installation and anticipate implementation in Q4. |
| Streetscene | Grant Monies | 26 | 26 | 0 | GREEN | No | |
| **Total Regeneration Services** | | **386** | **349** | **-37** | | | |

**2025/26 Efficiency Savings**

| Service Area | Programme / Project | Savings Target | Savings expected to be achieved | Savings Variance | RAG (Red / Amber / Green) Rating of current risk position | Explanation required? | Explanation for variance |
|---|---|---|---|---|---|---|---|
| | | 2025/26 | 2025/26 | 2025/26 | | | |
| | | £000's | £000's | £000's | | | |
| Streetscene | Other Staff Savings | 50 | 50 | 0 | GREEN | No | |
| Streetscene | Non Pay Budget Savings | 10 | 10 | 0 | GREEN | No | |
| Streetscene | Commercial Development Officer Income | 50 | 50 | 0 | GREEN | No | Work continues to expand the customer base but this is a commercial area and so subject to change. |
| Culture, Place & City Centre | Non Pay Budget Savings | 19 | 19 | 0 | GREEN | No | Budget plan is being reviewed to deliver this saving. |
| Property & Assets | Corporate Estate Disposals | 350 | 350 | 0 | GREEN | No | Working on alternative plan to still achieve savings |
| Economic Development and Regeneration | Vacancies | 5 | 5 | 0 | GREEN | No | |
| Economic Development and Regeneration | Non Pay Budget Savings | 38 | 38 | 0 | GREEN | No | |
| **Total Regeneration Services** | | **522** | **522** | **0** | | | |