

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

5 DECEMBER 2019

10

Report Title	BUDGET MONITORING REPORT 2019/20 Q2
Purpose of Report	To present the 2019/20 forecast outturn position against the revenue budgets and Capital programme that the committee is responsible for in order to give an expectation of possible variances against budget and items to be considered as part of the budget setting process.
Decision(s)	The Committee RESOLVES to note the outturn forecast for the General Fund Revenue budget and the Capital programme for this Committee.
Consultation and Feedback	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
Financial Implications and Risk Assessment	There are no financial implications arising from this report as it looks at current revenue and capital forecasts for this committee's budgets. Lucy Clothier, Interim Accountancy Manager Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk
Legal Implications	There are no legal implications arising from this report. Patrick Arran, Interim Head of Legal Services Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk
Options	None
Performance Management Follow Up	Budgets will continue to be monitored on a regular basis by budget holders supported by Finance. Further finance reports will update the committee in March 2019.
Background Papers/ Appendices	None

Background

1. This report provides the second monitoring position statement for the financial year 2019/20. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.
2. **Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate service manager before the meeting.**

Revenue Budget position

3. Council approved the General Fund Revenue budget for 2019/20 in February 2019 including budget proposals of the administration.
4. The latest budget for Environment Committee taking into account the adjustments for carry forwards and re-distribution of service budgets is **£5.696m** (Original Budget was **£5.425m**).
5. The monitoring position for the committee at 30 September 2019 shows a **projected net overspend of £68k** against the latest budget, as summarised in Table 1. The overall position on the General Fund will be considered by Strategy and Resources committee at their meeting in December 2019.
6. The outturn position is mainly attributable to the major items outlined in Table 2 with an explanation of the significant variances that have arisen (a significant variation is defined as being +/- £20,000 on each reporting line). Table 4 provides a more detailed breakdown on the Committee's budgets.
7. Table 3 shows the Capital spend and Projected outturn for the Environment Committee for 2019/20.

Table1 – Revenue budgets Environment Committee 2019/20

	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2019/20 Forecast Outturn (£'000)	2019/20 Reserve Transfers (£'000)	2019/20 Outturn Variance (£'000)
Environment Committee						
Canal		6	32	40	0	8
Carbon Management		71	135	78	52	(5)
Development Control	8	41	130	270	0	140
Director (Development Services)		119	78	78	0	0
Economic Development		91	102	91	0	(11)
Head of Health and Wellbeing		72	72	73	0	0
Health & Wellbeing	9	708	878	841	0	(37)
Land Charges & Street Naming	10	(51)	(42)	(15)	0	28
Planning Strategy/Local Plan		309	374	461	(76)	11
Statutory Building Control	11	92	(29)	(122)	69	(24)
Waste & Recycling: Other		20	20	20	0	1
Waste and Recycling: MSC	12	3,947	3,947	3,904	0	(42)
Environment TOTAL		5,425	5,696	5,720	44	68

(Tables may contain roundings for presentation purposes)

Table 2 - Headline Budget variances

Service	Para Refs	Overspend/ (Underspend) (£'000)
Development Control	8	140
Health & Wellbeing	9	(37)
Land Charges & Street Naming	10	28
Statutory Building Control	11	(24)
Waste and Recycling: MSC	12	(42)
TOTAL		65

Note: This table shows the significant variations only and therefore will not agree to the variation shown in Table 1.

8. Development Control – £140k under achievement of income

(Geraldine LeCointe xtn 4233, geraldine.lecointe@stroud.gov.uk)

Application fee income is currently down in comparison with this time of year over the last 3 years but interrogation of these historic statistics also shows how there is no predictable pattern to income month on month or year on year. For example in 2016/17 income was looking very healthy at this time, only to end the financial year with the lowest yearly income of the last 5 years.

We are expecting a number of large reserved matters applications in the next 6/9 months which will have a positive affect and may alter fee budget predictions in forthcoming quarters.

Pre-application fee income is looking reasonably healthy in comparison with previous years however, as last year the service fell short of its target income, it is anticipated that this may be repeated this year.

The service has been reviewed and a new structure was put in place in June 2019, however to date this has only been partially implemented. Once fully rolled out, the new structure should allow us to improve the pre-application service we provide and thus increase income (within the context that legally the service can only seek to cover its costs in providing a pre-application advice service).

The service has also taken a cautionary approach because of the as yet unknown impact of Brexit on the development sector.

9. Health & Wellbeing – (£37k underspend)

(Jon Beckett xtn 4443, jon.beckett@stroud.gov.uk)

This underspend is directly related to salaries. A number of in-year vacancies have been identified (including Business Support roles and Health and Safety Officer), which have now been recruited to. There has also been a reduction in hours with the service which has contributed to this saving. Any changes to establishment have been identified as part of the budget setting process.

10. Land Charges & Street Naming – £28k income reduction

(Mark Russell xtn 4305, mark.russell@stroud.gov.uk)

A reduction in income is forecast due to falling demand for the Local Land Charges service (volumes are around 30% less than this time in 2018/19). The business has seen a marked change this year with a significant loss of our market share and other external factors beyond our control including the unknown impact of Brexit. The budget for 2020/21 has been revised to reflect the drop in income.

11. Statutory Building Control – (£24k underspend)

(Paul Bowley xtn 4520, paul.bowley@stroud.gov.uk)

This underspend is predominately around salaries. The Building Control Service was subject to a service review which concluded in June and a new establishment put in place. As a result of this there have been some in year vacancies. An Area Building Control Surveyor post remains vacant and will be reviewed in Q4 ahead of the new financial year. The shared service with Gloucester City Council is up for renewal in June 2020, this may also impact on the recruitment of this post.

12. Waste and Re-cycling: MSC – (£42k underspend)

(Mike Hammond xtn 4447, mike.hammond@stroud.gov.uk)

This variance is forecast within the Waste & Recycling budget for the sale of recyclates. Markets for the onward sale of these materials remain volatile and officers are constantly trying to identify and forecast price trends. The contracts with Palm Paper and Suez that commenced in July 2018 have generated gate fee savings forecast this financial year, albeit this could be offset if commodity prices fall. We are seeing a particular pressure on paper prices at present and expect a rebate revision to reflect this in January.

Capital Programme

Table 3 below shows the Capital Outturn forecast for 2019/20 with a projected outturn variance of (£1.424m).

Table 3 – Environment Committee Capital Programme

Environment Capital Schemes	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2019/20 Forecast Outturn (£'000)	2019/20 Outturn Variance (£'000)	2020/21 Original Budget (£'000)
Canal	13	732	2,029	605	(1,424)	737
Market Town Centres Initiative Fund	14	50	113	113	0	50
Multi-Service Contract-Vehicles	15	684	684	684	0	712
Stroud District Cycling & Walking Plan	16	100	100	100	0	200
Wallbridge-Gateway	17	0	0	0	0	100
Environment Capital Schemes TOTAL		1,566	2,926	1,502	(1,424)	1,799

13. Canal

The Council and Cotswold Canals Trust have now secured the **£842k** crucial development funding from the Heritage Lottery Fund (HLF). This announcement will enable the subsequent application for a further £9million of HLF money to allow the whole project to go ahead.

The project aims to take the canal under the M5 motorway, reinstate the 'missing mile' of canal near Eastington and forge a new stretch of canal under the Gloucester to Bristol railway line at Stonehouse.

The expectation regarding the forecast to end of the current financial year of **£605k** is a reasonable estimate at this time.

14. Market Town Centres Initiative Fund.

The Distribution of Market Towns Funding was agreed at the January Strategy and Resources Committee. In order to be able to distribute the funds to the relevant Town Councils, written confirmation has been sought that they will spend the funds as agreed. There are a number of outstanding replies from the Town Councils and funds cannot be released until this confirmation is received. It is anticipated that the budget will be fully spent this financial year.

15. Multi- Service Contract – Vehicles

It is forecast that the capital budget will be spent in 2019/20, as there is an ongoing fleet management programme with vehicles identified as being at the end of their expected lifespan along with vehicles required in order to allow for additional growth within the district. The ongoing ambition of removing vehicles from hire within the contract will require the purchase of vehicles.

16. Stroud District Cycling and Walking Plan

The resurfacing of the Nailsworth/Dudbridge route, which is being led by Gloucestershire Wildlife Trust as part of their ERDF Wild Towns project is underway. Further funding has been secured to continue the resurfacing through to Dudbridge from Woodchester and will be added to the **£40k** from the budget earmarked for this section.

A finalised route between Uley and Cam station, via Dursley and Cam was agreed in March 2019. **£50k** of the Cycling and Walking budget has been earmarked to spend on resurfacing some sections of this route.

A feasibility study for a high quality utility cycle route between Chalford and Stroud has been carried out by an independent Dutch consultancy called Witteveen and Bos, and is due to be released shortly. SDC has not contributed to the cost of the study.

Initial work into the feasibility of a Kingswood/Wotton/Charfield Greenway route has been completed by Sustrans. They are now looking to progress towards the design phase towards which SDC has earmarked **£10k**.

17. Wallbridge Gateway

Ecotricity withdrew their application to match fund on this project last financial year. SDC and Stroud Town Council are seeking designs for a scheme within the budget, which is proposed to be re-profiled to 2020/21.

Table 4 – Detailed revenue variations

	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2019/20 Forecast Outturn (£'000)	2019/20 Reserve Transfers (£'000)	2019/20 Outturn Variance (£'000)
Environment Committee						
Canal Restoration Project		0	0	0	0	0
Canal Partnership		6	32	40	0	8
Canal		6	32	40	0	8
Energy Efficiency		71	135	78	52	(5)
Carbon Management		71	135	78	52	(5)
Footpaths		(2)	0	0	0	0
Conservation		60	0	0	0	0
Development Control		(241)	130	270	0	140
Planning Appeals		71	0	0	0	0
Tree Conservation		43	0	0	0	0
Planning Enforcement		109	0	0	0	0
Development Control	8	41	130	270	0	140
Director (Development Services)		119	78	78	0	0
Director (Development Services)		119	78	78	0	0
Economic Development		35	35	15	0	(20)
Market Town Projects		0	0	0	0	0
Regeneration		56	67	76	0	9
Economic Development		91	102	91	0	(11)
Head of Environmental Health		72	72	73	0	0
Head of Health and Wellbeing		72	72	73	0	0
Health & Wellbeing		126	134	112	0	(21)
Contaminated Land		27	26	30	0	4
Dog Warden Service		79	75	79	0	4
Environmental Protection		154	152	162	0	11
Food Safety		154	153	135	0	(19)
Health and Safety		89	88	75	0	(13)
Land Drainage		39	210	218	0	9
Public Health		44	44	35	0	(10)
Pest Control		5	6	5	0	(0)
Port Health		2	2	(1)	0	(3)
Planning Liaison		(11)	(11)	(9)	0	2
Health & Wellbeing	9	708	878	841	0	(37)

	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2019/20 Forecast Outturn (£'000)	2019/20 Reserve Transfers (£'000)	2019/20 Outturn Variance (£'000)
Environment Committee						
Land & Property Custodian		(36)	(27)	16	0	43
Street Naming		(15)	(15)	(30)	0	(15)
Land Charges & Street Naming	10	(51)	(42)	(15)	0	28
Planning Strategy		309	374	461	(76)	11
Planning Strategy/Local Plan		309	374	461	(76)	11
Planning and Building Control Admin		266	55	46	0	(9)
Building Control		(244)	(129)	(198)	69	0
Securing Dangerous Structures		10	15	16	0	1
Building Regulation Enforcement / Advice		60	31	14	0	(16)
Statutory Building Control	11	92	(29)	(122)	69	(24)
Waste & Recycling: Other		20	20	20	0	1
Waste & Recycling: Other		20	20	20	0	1
MSC: Refuse Collection		1,320	1,348	1,358	0	10
MSC: Food Waste		511	546	546	0	0
MSC: Recycling		1,433	1,447	1,390	0	(57)
MSC: Bulky Waste		7	7	7	0	0
MSC: Garden Waste		29	(41)	(41)	0	0
MSC: Street Cleansing		647	640	645	0	5
Waste and Recycling: MSC	12	3,947	3,947	3,904	0	(42)
Environment TOTAL		5,425	5,696	5,720	44	68