

# STROUD DISTRICT COUNCIL

## ENVIRONMENT COMMITTEE

14 SEPTEMBER 2023

<b>Report Title</b>	<b>BUDGET MONITORING REPORT Q1 2023/24</b>			
<b>Purpose of Report</b>	To present the 2023/24 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.			
<b>Decision(s)</b>	<b>The Committee RESOLVES to note the outturn forecast for the General Fund Revenue budget and the Capital Programme for this Committee.</b>			
<b>Consultation and Feedback</b>	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated into the report to explain difference between budgets and forecast income and expenditure.			
<b>Report Author</b>	Adele Rudkin, Accountant Tel: 01453 754109 Email: <a href="mailto:adele.rudkin@stroud.gov.uk">adele.rudkin@stroud.gov.uk</a>			
<b>Options</b>	None			
<b>Background Papers</b>	None			
<b>Appendices</b>	Appendix A – Detailed breakdown of revenue position			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	No	No	No	No

### 1 BACKGROUND

- 1.1 This report provides the first monitoring position statement for the financial year 2023/24. 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.
- 1.2 **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.**

### 2. SUMMARY

- 2.1 The monitoring position for the committee at 30 June 2023 shows a **projected net revenue overspend of £86k** against the latest budget, as summarised in Table 1.
- 2.2 The capital programme is showing a forecast spend of £7.295m against a budget of £9.538m. The variance of (2.243m) relates to re-profiling of timings, predominantly on the Canal project.
- 2.3 Table 2 shows the capital spend and projected outturn for the Environment Committee for 2023/24.

### 3. REVENUE BUDGET POSITION

- 3.1 Council approved the General Fund Revenue budget for 2023/24 in February 2023 including budget proposals of the administration.
- 3.2 The latest budget for Environment Committee (including carry forwards) is **£7.369m** (Original Budget was **£7.260m**).
- 3.3 The monitoring position for the committee at 30th June 2023 shows a **projected net overspend of £86k** against the latest budget, as summarised in Table 1, this will be reported in the overall position on the General Fund to Strategy and Resources Committee.
- 3.4 The outturn position is mainly attributable to those items outlined in Table 1 with an explanation of the significant variances that have arisen (a significant variation is defined as being +/- £20,000 on each reporting line).
- 3.5 Appendix A provides a more detailed breakdown on the Committee's budgets.

**Table 1 – Environment Revenue budgets 2023/24**

		2023/24 Original Budget (£'000)	2023/24 Revised Budget (£'000)	2023/24 Forecast Outturn (£'000)	2023/24 Reserve Transfers (£'000)	2023/24 Outturn Variance (£'000)
<b>Environment Committee</b>	<b>Para Refs</b>					
Canal	3.6	183	183	90	0	(93)
Carbon Management	3.7	265	265	314	(64)	(15)
Economic Development	3.8	196	196	431	(233)	2
Health & Wellbeing		923	923	926	0	3
Land Charges & Street Naming	3.9	(6)	24	(6)	42	12
Planning Strategy/Local Plan	3.10	468	547	608	(61)	0
Statutory Building Control	3.11	(132)	(132)	(59)	(80)	(7)
Waste & Recycling: Other		26	26	26	0	0
Waste and Recycling: MSC	3.12	5,338	5,338	5,522	0	184
<b>Environment TOTAL</b>		<b>7,260</b>	<b>7,369</b>	<b>7,851</b>	<b>(396)</b>	<b>86</b>

note: table may contain rounding differences

#### 3.6 Canal - (£93k) underspend (Chris Mitford-Slade, xtn 4284, [chrisms@stroud.gov.uk](mailto:chrisms@stroud.gov.uk))

Updates to the project timeline have impacted the Community engagement spending into future years. Additional income from sponsorship and donations has also been realised from the Canal Spring festival weekend.

#### 3.7 Carbon Management – (£64k) reserve transfer (Brendan Cleere xtn 4229, [brendan.cleere@stroud.gov.uk](mailto:brendan.cleere@stroud.gov.uk))

This is predominately focused around the Innovate to Renovate scheme which includes activity at a county level to develop Retrofit Centre services for householders and, 2030 delivery and coordination for SDC. The funding from WECA providing the 50% (match to SDC reserves contribution) to help administer and support the project work. All roles are

fixed term in line with the Innovate to Renovate grant provision. A vacancy saving has also been forecasted regarding the Senior Climate Change officer role. This saving has been attributed to overall salary saving reported through to Strategy & Resources Committee.

- 3.8 **Economic Development – (£233k) reserve transfer**  
(Leonie Lockwood xtn 4153, [Leonie.lockwood@stroud.gov.uk](mailto:Leonie.lockwood@stroud.gov.uk))  
(Amy Beckett xtn 4043, [amy.beckett@stroud.gov.uk](mailto:amy.beckett@stroud.gov.uk))

**Levelling up £106k**

Remaining reserve budget has been allocated to 'LUF' for further lift design work at Stroud station and other fees to support the regeneration project.

**UK Shared Prosperity fund £127k**

UKSPF funds are being utilised as grant money to support businesses and communities in the district to become more prosperous, support a wider audience and meet the needs of the district.

- 3.9 **Land Charges - £42k reserve transfer**  
(Neil Marriott xtn 4112, [neil.marriott@stroud.gov.uk](mailto:neil.marriott@stroud.gov.uk))

The Local Land Charges service is currently migrating its Local Land Charges Register to a service hosted by HM Land Registry. To facilitate that process, Stroud District Council has received funding from HM Treasury which will run into next financial year.

- 3.10 **Planning Strategy - £61k reserve transfer**  
(Mark Russell xtn 4305, [mark.russell@stroud.gov.uk](mailto:mark.russell@stroud.gov.uk))

This reserve transfer is continued funding for the Interim Housing Strategy Manager (extended to Nov 2023) to support the Council through the review process of the Draft Local Plan.

- 3.11 **Statutory Building Control – £80k Reserve transfer**  
(Paul Bowley xtn 4520, [paul.bowley@stroud.gov.uk](mailto:paul.bowley@stroud.gov.uk))

A salary saving of (£26k) is forecast on a business support post which will be addressed at budget setting later in the year. The underachievement of income against budget for the first three months is £35k below budget, if this trend were to continue the income is forecast to be **£120k below budget**, this will be closely monitored. There has been a slowing in construction activity in April and May, 212 applications were received against 294 for the same period last year with income £8k lower. Income is monitored monthly alongside market share. The Building Control fee earning service is required to breakeven over a period of time. There is a significant risk that this will not be achieved in 2023/24 and a year-end deficit is predicted, this will be transferred to reserves although this was depleted in 2022/23.

- 3.12 **Waste & Re-cycling-Multi Service Contract – £184k unachieved income/salary saving**  
(Angela Gillingham xtn 4452, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk))

A salary saving (£35k) is predicted regarding a new Waste Education Officer post. This vacancy has now been advertised with a view to recruitment in the autumn. This saving has been attributed to overall salary saving reported through to Strategy & Resources Committee

Recyclate values have decreased in 2023 leading to lower revenues than budgeted of **£177k**. Prices have already been reported for month four and are likely to remain consistent in Q2. However, fluctuations remain volatile, so there is scope for this to change. This will be regularly examined and reported back to Committee in December.

The quarter one Ubico report is forecasting in line with the budget assumption. However there are some significant offsetting variances that need noting. A saving of (£118k) on diesel has been forecast, due to the national reduction in diesel prices (budget £1.55 per litre, current £1.25 per litre). Members will recall that the change from diesel to HVO is expected to commence later in the financial year, this is likely to have an impact on the variance, a more detailed update will be provided in the Q2 monitoring. An overspend on vehicle hire £88.5k and vehicle repairs £18k is also predicted due to an ageing fleet that has been impacted by the global delays on procurement of new vehicles and the awaited announcement of the Government white paper on recycling fleets. We continue to work closely with the partnership and monitor forecasts on a monthly basis.

#### 4. CAPITAL PROGRAMME

Table 2 below shows the Capital Outturn forecast for 2023/24 with a projected outturn variance of **(£2.243m)**.

**Table 2 – Environment Committee Capital Programme**

Environment Capital Schemes	Para Refs	2023/24 Original Budget (£'000)	2023/24 Revised Budget (£'000)	2023/24 Forecast Outturn (£'000)	2023/24 Outturn Variance (£'000)
Canal	4.1	4,030	4,656	2,652	(2,004)
Community Infrastructure Levy Grants	4.2	195	195	195	0
Multi-Service Contract Vehicles	4.3	3,620	3,969	3,969	0
Rural SuDS Project	4.4	30	72	102	30
Stroud District Walking & Cycling Plan	4.5	515	581	312	(269)
Wallbridge-Gateway	4.6	38	65	65	0
<b>Environment Capital Schemes TOTAL</b>		<b>8,428</b>	<b>9,538</b>	<b>7,295</b>	<b>(2,243)</b>

##### 3.13 Canal

Delays in obtaining planning permission have impacted the capital expenditure time-line pushing it into future years. The digging out of the missing mile is planned for 2025. Any variances to the budget are timing differences, which will be reviewed, and the existing budget re-profiled to reflect the timetable.

##### 3.14 CIL

Community Infrastructure Levy (CIL) is collected from eligible developments, to be allocated on infrastructure projects by Environment Committee. Part of the CIL funding is transferred to the relevant town or parish council. This spend has not been budgeted, but is fully funded from the CIL receipts and so does not impact on the financial position of the council.

##### 3.15 Multi- Service Contract – Vehicles

The spend (includes slippage from last financial year due to delayed delivery of vehicles) and the replacement of fleet in conjunction with the Government white paper. The overall

spend is in line with the fleet programme which is being procured in conjunction with Ubico.

### **3.16 Rural SuDS**

April and June is the time of year for planning works, relationship and network building and focussing on communications. Constructing interventions takes a back seat due to regulatory issues such as protection of wild birds and restrictions on working on grasslands. The project officer has been working to influence the Local Nature Recovery strategy process and undertaken training in Biodiversity Net Gain. Both will be key mechanisms for funding the work in the future. We also received confirmation that the project officer successfully completed a BASIS qualification in soils and water at the Royal Agricultural University.

May saw the completion of the Comic, which was jointly funded by SDC and an EU initiative. The comic tells the story of flooding, and the link to river restoration and NFM and will be published over the summer. Several new landowners have been engaged in the project, including a large rewilding project in Sapperton and a farm above Horsley. During the dry warm weather, we were able to implement one project in the upper Slad valley, where we co-funded new electric fencing to keep livestock out of the Dillay Brook and install spring fed drinking troughs instead. This will not only prevent large amounts of soil and silt from entering the brook and causing flooding and environmental issues downstream, but it creates an extensive area of stream side habitat. The £30k forecast variance will be funded from GCC.

### **3.17 Stroud District Cycling and Walking Plan**

Feasibility work on schemes for Cainscross Road and the Cam-Dursley Greenway have been completed by GCC and jointly funded through the Walking and Cycling budget and CIL contributions. Resurfacing of the Dudbridge-Ryeford cycle track is due to start imminently, which also joint funding bid with CIL.

The first phase of the Wotton-Kingswood-Charfield Greenway viability work is almost complete, and following a successful UKSPF funding allocation of £70k, a further £75k has been match funded from the Walking and Cycling budget.

Feasibility work on a solution for Dudbridge Steps continues.

Several local projects are also in the pipeline with allocations towards footpath resurfacing in Cam and Woodchester, and match funding towards cycle parking at Stonehouse station following approval of the scheme from GWR.

### **3.18 Wallbridge Gateway**

This is the remaining budget that was originally allocated for the public realm improvements at Wallbridge. This budget was included as part of the Council's match funding for the LUF round 2 bid. Details of round 3 for LUF are still awaited and this budget will be required if we have the opportunity to bid for these improvements again as part of the bid or to look to progress some improvements in the absence of a LUF.

## **5. IMPLICATIONS**

### **5.1 Financial Implications**

There are no financial implications arising from this report as it reports on previous financial activities, and expected forecasts.

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## **5.2 Legal Implications**

There are no specific legal implications arising from the recommendation of this re this report.

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## **5.3 Equality Implications**

There are not any specific changes to service delivery proposed within this decision.

## **5.4 Environmental Implications**

There are no significant implications within this category.