

# STROUD DISTRICT COUNCIL

## ENVIRONMENT COMMITTEE

07 DECEMBER 2023

<b>Report Title</b>	<b>Budget Monitoring Report Q2 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
	Yes	Yes	No	No

### 1 BACKGROUND

- 1.1 This report provides the second 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 September 2023 shows a **projected net revenue overspend of £178k** against the latest budget, as summarised in Table 1.
- 2.2 The capital programme is showing a forecast spend of £3.840m against a revised budget of £6.648m. The variance of (2.808m) 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 **£7.376m** (Original Budget was **£7.260m**). This considers any MTFP adjustments, carry forwards and re-profiling of corporate maintenance budgets. The recently agreed pay award (£1,925 or 3.88%) which is funded from reserves as set aside by Strategy & Resources Committee.
- 3.3 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).
- 3.4 Appendix A provides a more detailed breakdown on the Committee's budgets.

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

Environment Committee	Para Refs	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)
Canal	3.5	183	183	68	116	0
Carbon Management	3.6	265	265	380	(115)	0
Economic Development	3.7	196	197	394	(197)	0
Health & Wellbeing	3.8	923	926	930	25	29
Land Charges & Street Naming	3.9	(6)	27	(15)	60	17
Planning Strategy/Local Plan	3.10	468	544	642	(98)	0
Statutory Building Control	3.11	(132)	(130)	(58)	(79)	(7)
Waste & Recycling: Other		26	26	26	0	0
Waste and Recycling: MSC	3.12	5,338	5,338	5,476	0	138
<b>Environment TOTAL</b>		<b>7,260</b>	<b>7,376</b>	<b>7,841</b>	<b>(288)</b>	<b>178</b>

note: table may contain rounding differences

- 3.5 **Canal - (£116k) transfer to reserves**  
(Chris Mitford-Slade, xtn 4284, [chrisms@stroud.gov.uk](mailto:chrisms@stroud.gov.uk))

Any variances to the budget are timing differences, which will be reviewed, and the existing budget re-profiled to reflect the timetable.

- 3.6 **Carbon Management – (£115k) 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.

- 3.7 **Economic Development – (£197k) 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 £70k**

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.

- 3.8 **Health & Wellbeing - £29k overspend**  
(Sarah Clark, [sarah.clark@stroud.gov.uk](mailto:sarah.clark@stroud.gov.uk))

Part of the projected overspend reflects the animal welfare service's role within a multi-agency investigation, where many dogs were seized needing veterinary care and subsequent kennelling fees. Some costs may be able to be recovered through prosecution. A small overspend on agency staff, covering in year vacancies within the team has also been reflected.

- 3.9 **Land Charges - £60k 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 – (£98k) 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 April 2024) to support the Council through the review process of the Draft Local Plan. Members will be aware of a prolonged Local Plan examination, involving additional Inspectors' costs and further transport work required to address concerns raised by the Inspectors, which will lead to expenditure over the agreed budget. The exact scale of any overspend will be clearer once the Inspectors respond to the Council, expected in December 2023. Any overspend will be met through appropriate reserves.

- 3.11 **Statutory Building Control – (£79k) Reserve transfer**  
(Paul Bowley xtn 4520, [paul.bowley@stroud.gov.uk](mailto:paul.bowley@stroud.gov.uk))

A salary saving of (£34k) is forecast on a business support post which has been removed a part of the budget setting process for 2024/25. The under achievement of income against budget for the first six months is £74k below budget, if this trend continues the income is forecast to be £130k below budget, this will be closely monitored. There has been a slowing in construction activity in the first six months of the year, 517 applications were received against 612 for the same period last year with income £39k lower. Our market share for the same period has slightly increase but the building control charge on these projects is lower. As a comparison income was £275k for the same period last year, although higher was also below target. Income continues to be 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 – £137k overspend/over/under achieved income

(Angela Gillingham xtn 4452, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk))

A salary saving (£45k) 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

Recycling markets haven't shown too much movement in 2023 and given that markets are depressed, this has had a negative impact on the expected revenue from the sale of recyclates. Prices for paper and cardboard have been impacted the most and revenue is now expected to fall £131k short of budget. The Garden Waste scheme continues to grow, with over 16,000 current subscribers. The year-on-year growth means that revenue is exceeding budgetary expectations by (£165k).

The quarter two Ubico report is forecasting a £173k overspend against the original contract. The most significant variance £126k is related to the 23-24 Pay award. An overspend on vehicle hire £149k and vehicle repairs £46k is also predicted due to an ageing fleet that has been impacted by the global delays on procurement of new vehicles and the long awaited announcement of the Government white paper on recycling fleets. 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). The change from diesel to HVO is now expected to commence early in the New Financial year. 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 (£2.808m).

**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	5.1	4,030	4,656	2,037	(2,619)
Community Infrastructure Levy Grants	5.2	195	195	195	0
EV Charge Points	5.3	0	196	196	0
Multi-Service Contract Vehicles	5.4	3,620	1,072	1,072	0
Rural SuDS Project	5.5	30	102	132	30
Stroud District Walking & Cycling Plan	5.6	515	362	143	(219)
Wallbridge-Gateway	5.7	38	65	65	0
<b>Environment Capital Schemes TOTAL</b>		<b>8,428</b>	<b>6,648</b>	<b>3,840</b>	<b>(2,808)</b>

### 4.1 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.

#### 4.2 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.

#### 4.3 EV Charging Points

Rollout of electric vehicle charge points in car parks as recommended by Environment Committee and Strategy and Resources Committee. Approved by Council on the 26<sup>th</sup> October 2023.

#### 4.4 Multi- Service Contract – Vehicles

Two delays in particular have contributed to the forecast underspend in 23/24. Firstly and most significantly the long awaited government response on Consistent Recycling, now Simpler Recycling, didn't arrive until late October 2023. This impacted decisions on fleet replacement being made. Furthermore, there has been some work undertaken to review the food waste fleet and ensure vehicles best suit the needs of the district. Both complications are now resolved, but whilst procurement procedures have commenced, no deliveries will take place in 23/24 and capital spend is proposed to be re-profiled to 2024/25.

#### 4.5 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.

#### 4.6 Stroud District Cycling and Walking Plan

Investment in strategic and local projects continues with several new projects being awarded funding. An allocation of £50k has been put towards the detailed design of Standish Greenway, a section of multiuser path which will eventually form part of the Stroud-Gloucester cycle spine being implemented by GCC.

Local projects to improve access to walking and cycling in Cam, Woodchester and Horsley have been awarded funding, as has a community ebike hire scheme being launched by Transition Stroud. Any projected underspend in this financial will be proposed to be re-profiled in 2024-25.

#### **4.7 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**

The report enables the Council to monitor the budget position, with a view to it meeting its legal obligation to deliver a balanced budget.

There are no specific legal issues arising from this report.

One Legal

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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.