

# STROUD DISTRICT COUNCIL

## ENVIRONMENT COMMITTEE

THURSDAY, 21 MARCH 2024

<b>Report Title</b>	<b>Budget Monitoring Report Q3 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 to 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 third 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 as at 31 December 2023 shows a **projected net revenue overspend of £209k** against the latest budget, as summarised in Table 1.
- 2.2 The capital programme is showing a forecast spend of £3.439m against a revised budget of £6.812m. The variance of (£3.374m) relates to re-profiling of timings, predominantly on the Canal project, EV charging points and Stroud and District Walking and Cycling Plan.

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 **£7.426m** (Original Budget was **£7.260m**). This considers any MTFP adjustments, carry forwards and re-profiling of corporate maintenance budgets, and the agreed pay award for 2023/24 (£1,925 or 3.88%).

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**

	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)
<b>Maddie2003</b>						
Canal	3.5	183	183	44	139	0
Carbon Management	3.6	265	265	276	(11)	0
Economic Development	3.7	196	197	394	(197)	0
Health & Wellbeing	3.8	923	926	957	20	52
Land Charges & Street Naming	3.9	(6)	27	39	15	28
Planning Strategy/Local Plan	3.10	468	644	712	8	76
Statutory Building Control	3.11	(132)	(130)	(17)	(108)	4
Waste & Recycling: Other		26	26	26	0	0
Waste and Recycling: MSC	3.12	5,338	5,338	5,340	48	50
<b>Environment TOTAL</b>		<b>7,260</b>	<b>7,476</b>	<b>7,771</b>	<b>(86)</b>	<b>209</b>

note: table may contain rounding differences

#### 3.5 Canal - (£139k) 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 – (£11k) 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 - £52k overspend  
£20k reserve transfer**  
(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. Equipment budget is forecast to overspend, this is to ensure that workstations are DSE compliant after returning to the Office after the pandemic. A carry forward of £20k is proposed regarding external COMF funding from GCC where Stroud has been the lead in developing the Environmental Health Profession locally.

- 3.9 **Land Charges – £28k overspend, income shortfall  
£15k reserve transfer**  
(Neil Marriott xtn 4112, [neil.marriott@stroud.gov.uk](mailto:neil.marriott@stroud.gov.uk))

A forecast of £15k shortfall in income due to the current suppressed housing sales market. In addition there is small overspend on legal fees around the data verification process. The Local Land Charges service is currently migrating it's Local Land Charges Register to a service hosted by HM Land Registry. To facilitate that process, Stroud District Council has received funding from HM Land Registry which will run into next financial year.

- 3.10 **Planning Strategy – £76k overspend**  
(Tom Ridley xtn 4047, [tom.ridley@stroud.gov.uk](mailto:tom.ridley@stroud.gov.uk))

The overspend on consultancy fees is due to the Local Plan delays at EiP and additional work being required. 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. Any overspend will be met through appropriate reserves. An additional budget allocation (£100k 2023-24 & £70k in 2024-25) has been incorporated to the base budget to support ongoing works on local plan as approved by Council in Feb 24.

3.11 **Statutory Building Control – (£108k) 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 was removed as part of the budget setting process for 2024/25. Income after month 9 is £123k below budget, if this trend continues the income is forecast to be £150k below budget, December was a particularly poor month for income with £15k against a budgeted £52k. In year expenditure savings of £44k are predicted, despite this a shortfall of £150k is predicted. The reserve at the start of the year was in deficit by £14k, this deficit will increase, predicted to be 164k at year end. Timesheet work has been completed, the shared service board has agreed to a revised % split across all budgets in 2024/25 and a revised 5 year financial plan.

3.12 **Waste & Re-cycling-Multi Service Contract –  
£50k overspend/over/under achieved income  
£48k reserve transfer**  
(Angela Gillingham xtn 4452, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk))

A salary saving (£48k) is predicted regarding a new Waste Education Officer post. This vacancy has now recruited to and the in-year saving 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 three Ubico report is forecasting a £104k overspend against the original contract. The most significant variance £126k is related to the 23/24 Pay award. An overspend on vehicle hire £147k and vehicle repairs £30k 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 (£107k) 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. The introductory and ongoing costs for the implementation of the new 'in cab' system, are included in the forecast and in line with those outlined in the original business plan. Diesel and garden waste administration costs have reduced as a direct result in this financial year, with further annual savings to be realised in relation to weighbridge operations in 2024/25. We continue to work closely with the partnership and monitor forecasts on a monthly basis.

#### 4. CAPITAL PROGRAMME

Table 3 below shows the Capital Outturn forecast for 2023/24 with a projected outturn variance of (£3.374m).

#### Table 2 – Environment Committee Capital Programme

	Para Refs	2023/24 Original Budget (£'000)	2023/24 Revised Budget (£'000)	2023/24 Forecast Outturn (£'000)	2023/24 Outturn Variance (£'000)
<b>Environment Capital Schemes</b>					
Canal		4,030	4,656	1,730	(2,926)
Community Infrastructure Levy Grants		195	195	195	0
EV Charge Points		0	196	0	(196)
Multi-Service Contract Vehicles		3,620	1,072	1,072	0
Rural SuDS Project		30	102	132	30
Stroud District Walking & Cycling Plan		515	362	143	(219)
UK Shared Prosperity Fund		0	165	165	0
Wallbridge-Gateway		38	65	2	(63)
<b>Environment Capital Schemes TOTAL</b>		<b>8,428</b>	<b>6,812</b>	<b>3,439</b>	<b>(3,374)</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

Stroud District Council received confirmation from OZEV in early February that the 50% project grant application had been successful. This allows us to move to the implementation phase. Full delivery is now expected early in the 2024/25 financial year.

#### 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 related to these vehicles will take place in 23/24 and capital spend is proposed to be re-profiled to 2024/25.

#### 4.5 Rural SuDS

The third quarter is peak site work season for natural flood management and works were completed on two sites. Firstly, in Kingscote Woods in Horsley our work restored the stream back to its original position on the floodplain to allow water to spread across the area creating wetland or wet woodland. We implemented what is known as a stage "0" approach. This is where we fill in the existing artificial channel or bypass the existing channel and allow the water to find its own way across the floodplain. The project benefits include;

- The creation of a large and locally significant area of wetland /wet woodland resulting from the spreading of both low and high flows across the floodplain.

- Significant benefits for downstream communities as the existing straight ditches convey high flows at significant speed and volume through the woodland, increasing flood risk for the town of Nailsworth. Allowing High flows to spread across the floodplain will slow flows and reduce peak flows through the woodland and into the valley.
- Increased aquifer recharge -This will occur in periods of high flows as we expect significant infiltration through the floodplain into the aquifer under high flow conditions.

In summary, we created 2.7Ha of new wet woodland/floodplain wetland habitat in two distinct areas, improved approx. 800m of stream habitat and added over 100 LWD structures. The second work site was a phase 2 of works at Hammonds Farm in the Painswick Valley. Here, we have created a series of large interventions on the floodplain of the lower Painswick Stream using Ash and Alder trees. Approx 25 tree trunks have been kept whole and laid at right angles to the flow of the stream to attenuate flood waters on the floodplain and allow sediment and silt to drop out of the reduced flows created by the trees.

The £30k forecast variance will be funded from GCC

Finally, we have agreed to hold an event during Stroud Film Festival to showcase the art, poetry and films we have commissioned. The event will be held on March 9th at the Museum in the Park.

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

Following completion of the detailed design of Standish Greenway, a further award of £57k has been awarded to compliment a successful CIL bid of £400k to construct this section of the greenway.

£16.4 has been awarded towards the walking and cycling elements of the broader Berkley Town Centre Improvement project which has also been awarded further CIL investment. Local projects to improve access to walking and cycling in Cam, Woodchester and Horsley have been completed. Any projected underspend in this financial will be proposed to be re-profiled in 2024/25.

#### 4.7 **UK Shared Prosperity Fund**

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.

#### 4.8 **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 legal implications arising from this report.

One Legal

Tel: 01684 272012 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

## **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.

	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)
<b>Environment Committee</b>						
Canal Restoration Project		183	183	44	139	0
<b>Canal</b>		<b>183</b>	<b>183</b>	<b>44</b>	<b>139</b>	<b>0</b>
Energy Efficiency		265	265	276	(11)	0
<b>Carbon Management</b>		<b>265</b>	<b>265</b>	<b>276</b>	<b>(11)</b>	<b>0</b>
Economic Development		156	155	225	(70)	0
Regeneration		40	41	41	0	0
UK Shared Prosperity Fund		0	0	127	(127)	0
<b>Economic Development</b>		<b>196</b>	<b>197</b>	<b>394</b>	<b>(197)</b>	<b>0</b>
Contaminated Land		21	21	21	0	0
Dog Warden Service		112	113	137	0	24
Environmental Protection		201	200	218	0	18
Food Safety		176	176	147	20	(9)
Head of Health and Wellbeing		83	82	82	0	0
Health & Wellbeing		108	110	125	0	15
Health and Safety		95	95	90	0	(5)
Land Drainage		58	58	61	0	3
Pest Control		9	10	18	0	8
Planning Liaison		17	16	16	0	(1)
Port Health		(2)	(2)	(3)	0	(1)
Public Health		45	45	45	0	(0)
<b>Health &amp; Wellbeing</b>		<b>923</b>	<b>926</b>	<b>957</b>	<b>20</b>	<b>52</b>
Land & Property Custodian		24	57	59	15	18
Street Naming		(30)	(30)	(20)	0	10
<b>Land Charges &amp; Street Naming</b>		<b>(6)</b>	<b>27</b>	<b>39</b>	<b>15</b>	<b>28</b>
Nature Recovery & Biodiversity		64	74	74	0	0
Planning Strategy		403	571	638	8	76
<b>Planning Strategy/Local Plan</b>		<b>468</b>	<b>644</b>	<b>712</b>	<b>8</b>	<b>76</b>
Building Control		(173)	(171)	(63)	(108)	0
Building Regulation Enforcement / Advice		31	31	35	0	3
Securing Dangerous Structures		10	10	11	0	1
<b>Statutory Building Control</b>		<b>(132)</b>	<b>(130)</b>	<b>(17)</b>	<b>(108)</b>	<b>4</b>
Waste & Recycling: Other		26	26	26	0	0
<b>Waste &amp; Recycling: Other</b>		<b>26</b>	<b>26</b>	<b>26</b>	<b>0</b>	<b>0</b>
MSC: Bulky Waste		23	23	14	0	(9)
MSC: Food Waste		1,023	1,023	1,000	0	(23)
MSC: Garden Waste		(23)	(23)	(242)	0	(219)
MSC: Recycling		1,621	1,622	1,874	48	301
MSC: Refuse Collection		1,817	1,817	1,816	0	(1)
MSC: Street Cleansing		877	877	877	0	0
<b>Waste and Recycling: MSC</b>		<b>5,338</b>	<b>5,338</b>	<b>5,340</b>	<b>48</b>	<b>50</b>
<b>Environment TOTAL</b>		<b>7,260</b>	<b>7,476</b>	<b>7,771</b>	<b>(86)</b>	<b>209</b>

Note: table may contain rounding differences