

# STROUD DISTRICT COUNCIL

## ENVIRONMENT COMMITTEE

9 DECEMBER 2021

<b>Report Title</b>	<b>BUDGET MONITORING REPORT Q2 2021/22</b>			
<b>Purpose of Report</b>	To present the 2021/22 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 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 2021/22. 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 2021 shows a projected net revenue **underspend of (£201k)** against the latest budget, as summarised in Table 1.
- 2.2 This position does not include the expected financial impact of Covid-19, which is reported to Strategy and Resources Committee. A summary of the position for this committee included in Section 4.

2.3 The capital programme is showing a forecast spend of £6.6m against a budget of £6.815m. The variance of (£214k) relates to re-profiling of timings, predominantly on the Canal project.

2.4 Table 3 shows the capital spend and projected outturn for the Environment Committee for 2021/22.

### 3. REVENUE BUDGET POSITION

3.1 Council approved the General Fund Revenue budget for 2021/22 in February 2021 including budget proposals of the administration.

3.2 The latest budget for Environment Committee taking into account the adjustments for carry forwards is **£5.917m** (Original Budget was **£6.172m**).

3.3 The monitoring position for the committee at 30 September 2021 shows a **projected net underspend of (£201k)** against the latest budget, as summarised in Table 1. This does not incorporate the Covid pressures outlined in table 2, 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 (including Covid related issues) 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 2021/22**

Environment Committee	Para Refs	2021/22 Original Budget (£'000)	2021/22 Revised Budget (£'000)	2021/22 Forecast Outturn (£'000)	2021/22 Reserve Transfers (£'000)	2021/22 Outturn Variance (£'000)	Covid-19 Pressures (Reported in S&R)
Canal		379	(120)	(121)	0	(1)	0
Carbon Management		110	173	163	10	1	0
Development Control	3.6	197	197	226	0	29	75
Economic Development		101	111	136	(31)	(6)	0
Health & Wellbeing		830	941	929	8	(5)	0
Land Charges & Street Naming	3.7	(18)	(18)	(38)	0	(20)	0
Planning Strategy/Local Plan		370	430	423	0	(7)	0
Statutory Building Control		(137)	(137)	(152)	18	3	0
Waste & Recycling: Other		12	12	28	0	16	0
Waste and Recycling: MSC	3.8	4,329	4,329	4,118	0	(211)	0
<b>Environment TOTAL</b>		<b>6,172</b>	<b>5,917</b>	<b>5,710</b>	<b>6</b>	<b>(201)</b>	<b>75</b>

#### 3.6 Development Control – £104k under achievement of income/overspend (Geraldine LeCointe xtn 4233, [geraldine.lecointe@stroud.gov.uk](mailto:geraldine.lecointe@stroud.gov.uk))

This variance consists of two elements. A £29k underachievement of income is forecast on Planning application fee income. In the first 6 months of the year, fee income has been better than predicted. This may change in future months, however, the progress of the draft local plan towards adoption may well lead to the submission of larger applications, attracting larger fees, before the end of the financial year.

The predicted £75k salary overspend (table 2) relates to extra agency staff who have been brought in to support the development management and enforcement services. These are temporary posts plugging gaps created while we recruit and train new staff and also to support the substantial increase in enforcement complaints received during the pandemic.

### 3.7 Land Charges & Street Naming – (£20k) additional income

(Neill Marriott xtn 4112, [neil.marriott@stroud.gov.uk](mailto:neil.marriott@stroud.gov.uk))

An increase in search requests as a result of the Stamp Duty Holiday has generated additional income.

### 3.8 Waste and Re-cycling - Multi Service Contract – (£211k) additional income/overspend

(Mike Hammond xtn 4447, [mike.hammond@stroud.gov.uk](mailto:mike.hammond@stroud.gov.uk))

This underspend is made of several offsetting variances. Recycling is forecasting an additional (£161k) of income due to a more buoyant than expected paper re-cycling market. A (£130k) forecast variance on Recycling Credits has also been identified, this is a reflection of the increased tonnage being collected at the kerbside, whilst this is generally speaking proportionate to residual waste increases and therefore is driving up recycling rate improvements. Increased demand for bulky waste collections has indicated a (£36k) favourable variance, the service income continues to be inflated post pandemic. Sustained growth of garden waste subscriptions will impact the forecast income variance by (£88k) along with general savings across all of the contracts of (£29k). A £89k overspend is estimated on replacement refuse receptacles due to the ageing wheelie bin infrastructure. A number of these variances will be addressed through the budget setting paper.

The Ubico contract continues to be monitored closely on a monthly basis, the current forecast is showing an overspend of £145k due to several factors, an outstanding insurance dispute claim of £50k, theft of diesel from the Gossington site £25k and additional vehicle costs of £24k. In addition, Ubico have raised the issue of the national shortage of drivers and rates of pay. A proposal has now been put in place across the contract, in effect this means supplementary costs of circa £45k this financial year. This has now been built into the budget for 2022-23.

## 4. COVID PRESSURES

4.1 Table 2 below outlines the particular Covid pressures borne though either additional expenditure or loss of income within with each service for this Committee.

4.2 The impact of these figures will be included in the budget monitoring report to Strategy & Resources Committee against the budget allocated by Council in February, and any expected grant income from Government.

**Table 2 – Covid Pressures reported to Strategy and resources Committee**

<b>Committee Summary Heading</b>	<b>Committee Service Area</b>	<b>Outturn Forecast (£'000)</b>
Development Control	Development Control	75
<b>TOTAL Covid Pressures</b>		<b>75</b>

## 5. CAPITAL PROGRAMME

- 5.1 Table 3 below shows the Capital Outturn forecast for 2021/22 with a projected outturn variance of (£214k).

**Table 3 – Environment Committee Capital Programme**

<b>Environment Capital Schemes</b>	<b>Para Refs</b>	<b>2021/22 Original Budget (£'000)</b>	<b>2021/22 Revised Budget (£'000)</b>	<b>2021/22 Forecast Outturn (£'000)</b>	<b>2021/22 Outturn Variance (£'000)</b>
Canal	5.2	6,631	4,814	4,874	60
Market Town Centres Initiative Fund	5.3	50	40	40	0
Multi-Service Contract Vehicles	5.4	859	1,513	1,513	0
Rural SuDS Project	5.5	30	30	20	(10)
Stratford Park Acquisition of Machinery	5.6	0	14	14	0
Stroud District Cycling & Walking Plan	5.7	200	404	140	(264)
Wallbridge-Gateway	5.8	100	0	0	0
<b>Environment Capital Schemes TOTAL</b>		<b>7,870</b>	<b>6,815</b>	<b>6,600</b>	<b>(214)</b>

### 5.2 Canal

Following the successful bid to the National Lottery Heritage Fund for grant funding for Phase 1B of the Cotswold Canal Connected Project, work is underway.

The variance relates to a final payment on Phase 1A of the project for construction costs at Wallbridge Lower Locks.

### 5.3 Market Town Centres Initiative Fund

The Distribution of Market Towns Funding was agreed at the January 2019 by Strategy and Resources Committee. In order to be able to distribute the funds to the relevant Town Councils, written confirmation was sought as to how would spend the funds for agreement. Some responses were received after the relevant financial year, resulting in a variance against the profiled budget, this has been taken into account in 2021/22 with the remaining budget due to be spent in year.

### 5.4 Multi-Service Contract Vehicles

The spend is in line with the fleet programme which is being procured in conjunction with Ubico, this is expected to be delivered within budget and within this financial year. The revised budget includes an additional Garden Waste RCV and the supplementary cost of the Electric Truck Sweeper. This will be a recommendation as part of the overall 5 year Capital Plan to S & R in January 2022 and Council in February 2022.

### 5.5 Rural SuDS Project

Four schemes have been completed in the first quarter of this financial year with 16 leaky dams and 3 small attenuation areas created plus additional small works. This has involved working with 5 new private landowners and 3 new contractors. There are currently 7 new schemes in planning stages for delivery later in the year.

### 5.6 Stratford Park Acquisition of Machinery

This amount was allocated as part of the overall Capital project of the transfer of grounds maintenance contract for Stratford Park and Brimscombe Cemetery to Ubico was approved

on the 14 April 2020 by Officer decision in consultation with group leaders and Chairs of the relevant Committees of £95k. The £14k is earmarked for site enhancements and options are currently being reviewed. It is anticipated to be fully utilised on 2021/22.

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

Progress is being made on delivering improvements to the cycling and walking network, working with Gloucestershire County Council and local groups. Despite some large allocations a significant underspend is currently forecast for 2021/22 due to delays to projects caused by the Covid 19 pandemic and changes to national design guidance on cycling and walking. Future expenditure is expected to be aligned with Local Cycling and Walking Plans (LCWP) which are currently in production. A Cycling and Walking Task & Finish Group has been set up to consider ways of focussing future investment on priority projects and how to unblock constraints and accelerate delivery. The final meeting is due to take place in January 2022, after which the findings and recommendations will be presented to Environment Committee.

### **5.8 Wallbridge Gateway**

This site and surrounding area is being considered as part of the Levelling Up Fund bid as a gateway site into Stroud town and the design brief is also being updated and further developed by consultants as part of the Canal Strategy. Works are therefore likely to start in 2022/23.

## **6. IMPLICATIONS**

### **6.1 Financial Implications**

There are no financial implications arising from this report as it looks at current revenue and capital forecasts for this committee's budgets.

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### **6.2 Legal Implications**

There are no significant legal implications arising from this report and the recommendation.

One Legal

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### **6.3 Equality Implications**

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

### **6.4 Environmental Implications**

There are no significant implications within this category.