

**STROUD DISTRICT COUNCIL**  
**ENVIRONMENT COMMITTEE**  
**REPORT FOR INFORMATION**

<b>Report Title</b>	<b>BUDGET MONITORING REPORT Q2 2020/21</b>			
<b>Purpose of Report</b>	To present the 2020/21 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:</b> a) <b>To note the outturn forecast for the General Fund Revenue budget and the Capital Programme for this Committee.</b>			
<b>Consultation and Feedback</b>	As a result of Covid-19, reports which are for noting and do not require a decision are being circulated for comment and then will be published on the Council's website  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.			
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<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	No	No	No

## 1 Background

- 1.1 This report provides the second monitoring position statement for the financial year 2020/21. 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 2020 shows a **projected net revenue overspend of £509k** against the latest budget, as summarised in Table 1.

- 2.2 The capital programme is showing a forecast spend of £5.953k against a budget of £5.233k. The variance of £720k relates to reprofiling of timings, predominantly on the Canal project.
- 2.3 Table 3 shows the capital spend and projected outturn for the Environment Committee for 2020/21.
- 2.4 This position does include the expected financial impact of Covid-19, with detail included in the narrative where necessary. It is expected that the loss of sales, fees and charges due to Covid-19 will be, in part, supported by central government. This will be reported to members when the detail of the scheme, and its effect on the financial position, is known.

### 3 Revenue Budget Position

- 3.1 Council approved the General Fund Revenue budget for 2020/21 in February 2020 including budget proposals of the administration.
- 3.2 The latest budget for Environment Committee taking into account the adjustments for carry forwards is **£6.113m** (Original Budget was **£5.937m**).
- 3.3 The monitoring position for the committee at 30 September 2020 shows a **projected net overspend of £509k** against the latest budget, as summarised in Table 1. The overall position on the General Fund will be reported to Strategy and Resources Committee.
- 3.4 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).
- 3.5 Appendix A provides a more detailed breakdown on the Committee's budgets.

**Table 1 – Environment Revenue budgets 2020/21**

	Para Refs	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2020/21 Forecast Outturn (£'000)	2020/21 Reserve Transfers (£'000)	2020/21 Outturn Variance (£'000)
<b>Environment Committee</b>						
Canal		164	164	177	0	13
Carbon Management		109	109	107	0	(2)
Development Control	3.6	184	184	587	0	403
Director (Development Services)		0	0	0	0	0
Economic Development		99	99	101	0	2
Health & Wellbeing		831	1,007	960	65	18
Land Charges & Street Naming		(19)	(19)	(2)	0	17
Planning Strategy/Local Plan	3.7	410	410	470	(31)	30
Statutory Building Control	3.8	(93)	(93)	(65)	0	28
Waste & Recycling: Other		12	12	12	0	0
Waste and Recycling: MSC	3.9	4,241	4,241	4,241	0	(1)
<b>Environment TOTAL</b>		<b>5,937</b>	<b>6,113</b>	<b>6,587</b>	<b>34</b>	<b>509</b>

Note: tables may contain rounding differences

The table below outlines the key variances for this Committee.

**Table 2 - Headline Budget variances**

<b>Service</b>	<b>Para Refs</b>	<b>Overspend/ (Underspend) (£'000)</b>
Development Control	3.6	403
Planning Strategy/Local Plan	3.7	30
Statutory Building Control	3.8	28
<b>TOTAL</b>		<b>461</b>

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

### 3.6 **Development Control – £403 under achievement of income** (Geraldine LeCointe xtn 4233, [geraldine.lecointe@stroud.gov.uk](mailto:geraldine.lecointe@stroud.gov.uk))

The Covid-19 pandemic continues to have a significant impact on income from planning applications. In Q1, we anticipated an end of year forecast loss of £600k, which was calculated on worst case scenario. During the last few months' income has stayed low, with an increase in September and October. With this in mind it is now more realistic to forecast a shortfall of (£452k) to the end of the financial year. This seems prudent at this time given that that the service has no control or influence over the income it receives. While fees are down month on month, the number of applications remains quite high, with an increase in the submission of applications that do not attract a fee (such as applications for listed building consent). An early year underspend on salaries reduces some of the impact of the income loss but since September the service has been fully staffed.

The loss of income due to Covid-19 is eligible for the Governments compensation scheme for lost sales, fees and charges. The scheme covers 75% lost income, after deducting 5% to account for volatility in income plus any 'savings' over the same period. Based on the current forecast of £452k income lost, the expected income from Government would be approximately £292k, leaving a net loss of £160k. These figures are reported as Government grants to Strategy and resources committee and will change as the lost income figure changes.

### 3.7 **Planning Strategy - £30k overspend** (Mark Russell xtn 4305, [mark.russell@stroud.gov.uk](mailto:mark.russell@stroud.gov.uk))

An overspend is forecast due to the cost of traffic modelling Local Plan sites. The majority of this overspend will be funded from the Local Plan Reserve.

### 3.8 **Statutory Building Control – £28k unachievable income** (Paul Bowley xtn 4520, [paul.bowley@stroud.gov.uk](mailto:paul.bowley@stroud.gov.uk))

Income for the first two quarters was £238k, down by £77k against target for this period due to Covid 19 lockdown slowing construction activity. September however showed a higher income than anticipated with renewed construction activity. It is too early to anticipate when income levels will return to pre Covid 19 levels, in light of this the predicted income loss year end is forecast to be £140k. It is assumed that restrictions will remain for an extended period of time, there will remain uncertainty over job security which is likely to restrict domestic work, similarly this may apply to the housing market. The commercial sector, working from home will impact on new commercial development as the demand will be reduced for office space and shops are also likely to suffer from the crisis. The service has 2.5 vacant posts

which has helped to offset some of the income reduction, depending on workloads, overtime or agency staff may be required short term with one surveying post being advertised in December depending on income monitoring. The final income reduction against budget reported to MHCLG could be £140k depending on construction activity in the next two quarters. A year end deficit is predicted and will be funded from the Building Control Reserve at this time.

The lost income recoverable through the Government sales, fees and charges compensation scheme is expected to be approximately £81k, based on lost income for the year of £140k, however this figure will change as the expected income loss changes.

### 3.9 Waste and Recycling - Multi Service Contract – (£1k) (Mike Hammond xtn 4447, [mike.hammond@stroud.gov.uk](mailto:mike.hammond@stroud.gov.uk))

The reported variance is less than £20k threshold but within the service there are larger off-setting variances. Last quarter it was reported that the market for the onward sale of paper and card has been significantly suppressed in recent months, and would impact on the budgetary position this financial year of around £137k. During the Pandemic and associated lockdown, it was widely acknowledged that waste volumes and weights have been higher. The weight increase has caused a variance to recycling budgets, although broadly speaking there has been a balancing effect, However, the higher tonnage has increased gate fees as recently reported to Environment Committee. On the positive side increased tonnage is leading to higher recycling credits paid by Gloucestershire County Council; currently estimated to generate (£123k) more revenue for the financial year. The net position on the recycling budget equates to an estimated £9k overspend. The forecast underspend reported in quarter one for the Ubico contract has reduced to (£53k). This forecast now incorporates essential vehicle repair costs required for remedial work on Recycling vehicles to repair damage incurred by glass recycling. The saving overall is mainly around recruitment of staff and savings on Fuel across all the services Ubico undertake.

## 4 Capital Programme

Table 3 below shows the Capital Outturn forecast for 2020/21 with a projected outturn variance of **£720m**.

**Table 3 – Environment Committee Capital Programme**

Environment Capital Schemes	Para Refs	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2020/21 Forecast Outturn (£'000)	2020/21 Outturn Variance (£'000)
Canal	4.1	3,317	3,702	4,561	859
Market Town Centres Initiative Fund	4.2	50	100	50	(50)
Multi-Service Contract Vehicles	4.3	712	1,132	1,132	0
Stratford Park Acquisition of Machinery	4.4	0	95	95	0
Stroud District Cycling & Walking Plan	4.5	200	204	115	(89)
Wallbridge-Gateway	4.6	100	0	0	0
<b>Environment Capital Schemes TOTAL</b>		<b>4,379</b>	<b>5,233</b>	<b>5,953</b>	<b>720</b>

#### 4.1 Canal

Following the successful bid for National Lottery Heritage Funding, the Cotswold Canal Connection Project (Phase 1B) is now underway. Although currently being undertaken at risk pending the permission to start approval, works and preparations have started. Any overspend represents works being brought forward compared to the budget and the funding of the overall project remains the same.

#### 4.2 Market Town Centres Initiative Fund

The Distribution of Market Towns Funding was agreed at the January 2019 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 some Town Councils and funds cannot be released until this confirmation is received. It seems unlikely that the funds will be fully spent this year, so it is proposed to re-profile the remaining budget into next financial year.

#### 4.3 Multi- Service Contract – Vehicles

The 2020/21 budget has been revised in line with the Ubico fleet replacement programme this incorporates slippage from previous years along with budget re-profiled from future years. Overall the Capital programme is still in line with overall budget. At this point as we are still in the pandemic manufacturers could still be further affected over the coming months but this is unknown.

#### 4.4 Stratford Park Machinery

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. £95k capital funding was allocated to the project from within the current MTFP and is due to be fully spent in 2020/21 to allow the mobilisation of the contract on 01 December 2020.

#### 4.5 Stroud District Cycling and Walking Plan

Work on the Nailsworth to Dudbridge cycle way has been completed. Steady progress is being made at Nailsworth-Dudbridge and Cam-Dursley, any major expenditure related to Wotton-Charfield and Stroud-Chalford schemes are likely to be pushed into subsequent years. As we move towards year-end, a more realistic view will be taken to identify any slippage going forward to 2021/22.

#### 4.6 Wallbridge Gateway

A preliminary design for the scheme has been discussed with Stroud Town Council, however, the detail of the design has not been progressed since the onset of the Covid-19 pandemic. The implementation of the final scheme is now therefore anticipated for completion by summer 2022. It is recommended in light of this information, the budget is therefore proposed to be re-profiled to 2021/22.

## **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**

None directly 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.

## Appendix A

	Para Refs	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2020/21 Forecast Outturn (£'000)	2020/21 Reserve Transfers (£'000)	2020/21 Outturn Variance (£'000)
<b>Environment Committee</b>						
Canal Partnership		164	164	177	0	13
<b>Canal</b>		<b>164</b>	<b>164</b>	<b>177</b>	<b>0</b>	<b>13</b>
Energy Efficiency		109	109	107	0	(2)
<b>Carbon Management</b>		<b>109</b>	<b>109</b>	<b>107</b>	<b>0</b>	<b>(2)</b>
Development Control		184	184	577	0	393
Planning Appeals		0	0	10	0	10
<b>Development Control</b>	<b>3.6</b>	<b>184</b>	<b>184</b>	<b>587</b>	<b>0</b>	<b>403</b>
Economic Development		35	35	35	0	0
Regeneration		64	64	66	0	2
<b>Economic Development</b>		<b>99</b>	<b>99</b>	<b>101</b>	<b>0</b>	<b>2</b>
Contaminated Land		30	30	42	0	12
Dog Warden Service		84	84	99	0	15
Environmental Protection		180	180	163	0	(17)
Food Safety		150	150	148	0	(2)
Head of Health and Wellbeing		75	75	75	0	0
Health & Wellbeing		128	135	140	0	4
Health and Safety		82	82	78	0	(4)
Land Drainage		42	210	146	65	1
Pest Control		7	7	19	0	12
Planning Liaison		15	15	15	0	0
Port Health		2	2	(1)	0	(3)
Public Health		36	36	36	0	(0)
<b>Health &amp; Wellbeing</b>		<b>831</b>	<b>1,007</b>	<b>960</b>	<b>65</b>	<b>18</b>
Land & Property Custodian		11	11	13	0	2
Street Naming		(30)	(30)	(15)	0	15
<b>Land Charges &amp; Street Naming</b>		<b>(19)</b>	<b>(19)</b>	<b>(2)</b>	<b>0</b>	<b>17</b>
Planning Strategy		410	410	470	(31)	30
<b>Planning Strategy/Local Plan</b>	<b>3.7</b>	<b>410</b>	<b>410</b>	<b>470</b>	<b>(31)</b>	<b>30</b>
Building Control		(137)	(137)	(94)	0	43
Building Regulation Enforcement / Advice		32	32	22	0	(10)
Securing Dangerous Structures		12	12	7	0	(6)
<b>Statutory Building Control</b>	<b>3.8</b>	<b>(93)</b>	<b>(93)</b>	<b>(65)</b>	<b>0</b>	<b>28</b>
Waste & Recycling: Other		12	12	12	0	0
<b>Waste &amp; Recycling: Other</b>		<b>12</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0</b>
MSC: Bulky Waste		12	12	(9)	0	(21)
MSC: Food Waste		747	747	715	0	(32)
MSC: Garden Waste		(93)	(93)	(133)	0	(40)
MSC: Recycling		1,508	1,508	1,596	0	88
MSC: Refuse Collection		1,380	1,380	1,382	0	2
MSC: Street Cleansing		687	687	690	0	3
<b>Waste and Recycling: MSC</b>	<b>3.9</b>	<b>4,241</b>	<b>4,241</b>	<b>4,241</b>	<b>0</b>	<b>(1)</b>
<b>Environment TOTAL</b>		<b>5,937</b>	<b>6,113</b>	<b>6,587</b>	<b>34</b>	<b>509</b>