

STROUD DISTRICT COUNCIL

ENVIRONMENT COMMITTEE

REPORT FOR INFORMATION

Report Title	BUDGET MONITORING REPORT Q1 2020/21			
Purpose of Report	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.			
Decision(s)	The Committee RESOLVES to: a) To note the outturn forecast for the General Fund Revenue budget and the Capital Programme for this Committee.			
Consultation and Feedback	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.			
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk			
Options	None			
Background Papers	None			
Appendices	Appendix A – Detailed breakdown of revenue position			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. Background

- 1.1 This report provides the first 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 June 2020 shows a **projected net revenue overspend of £628k** against the latest budget, as summarised in Table 1.
- 2.2 The capital programme is showing a forecast spend of £2,921k against a budget of £4,928k. The variance of (£2,007k) 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 June 2020 shows a **projected net overspend of £628k** 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

Environment Committee	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)
Canal		164	164	177	0	13
Carbon Management		109	109	107	0	(2)
Development Control	3.6	184	184	730	0	546
Economic Development		99	99	102	0	2
Health & Wellbeing	3.7	831	1,007	1,037	0	30
Land Charges & Street Naming	3.8	(19)	(19)	35	0	54
Planning Strategy/Local Plan	3.9	410	410	443	(31)	2
Statutory Building Control	3.10	(93)	(93)	(43)	0	50
Waste & Recycling: Other		12	12	12	0	0
Waste and Recycling: MSC	3.11	4,241	4,241	4,172	0	(69)
Environment TOTAL		5,937	6,113	6,772	(31)	628

Note: tables may contain rounding differences

The table below outlines the key variances for this Committee.

Table 2 - Headline Budget variances

Service	Para Refs	Overspend/ (Underspend) (£'000)
Development Control	3.6	546
Health & Wellbeing	3.7	30
Land Charges & Street Naming	3.8	54
Statutory Building Control	3.10	50
Waste and Recycling: MSC	3.11	(69)
TOTAL		611

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

3.6 Development Control – £546 under achievement of income
(Geraldine LeCointe xtn 4233, geraldine.lecointe@stroud.gov.uk)

The Covid-19 pandemic has had a significant impact on income from planning applications since March. In the early months, we anticipated a likely shortfall of around £333k but as the months pass income has stayed low with no immediate sign of increasing. As such is more realistic to forecast a shortfall of £600k to the end of the financial year, which is approximately half the budgeted income for the year. This is hopefully a worst case scenario, however, it 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, which do not attract a fee (such as applications for listed building consent).

An underspend on salaries reduces some of the impact of the income loss. Two posts (STR7 and STR8) have been vacant since the beginning of the financial year, these have now been recruited to, with a start date of September 2020. A number of staff have also reduced their hours since budget setting in October 2019.

3.7 Health & Wellbeing – £30k - overspend/underachievement of income
(Jon Beckett xtn 4443, jon.beckett@stroud.gov.uk)

The forecast overspend is made up of range of factors across a number of budget headings, principally due to the Covid-19 pandemic, thus resulting in a reduction in pest control income and loss of income from training activities that we carry out. There are also costs associated with two staff posts being regraded which will be addressed as part of the budget setting process in the autumn. An additional cost has also arisen regarding the remediation of an 'orphan' contaminated land site where the cost of remediation fell to the Council.

3.8 Land Charges & Street Naming – £54k underachievement of income
(Neil Marriot xtn 4112, neil.marriott@stroud.gov.uk)

This variance is attributable to the significant downturn as a direct result of the Covid-19 restrictions. Demand for the searches has been decreasing year on year by approximately 10% regardless of the pandemic. Street naming had increased significantly hence we

revised the budget to reflect this at budget setting. However, with the impact of Covid-19 in 2020/21 this will not be achievable at the current time. Some recovery may be seen in Q3/Q4.

3.9 Planning Strategy - £31k overspend

(Mark Russell xtn 4305, 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.

3.10 Statutory Building Control – £50k overspend

(Paul Bowley xtn 4520, paul.bowley@stroud.gov.uk)

Income for the first quarter was down by £77k against target due to Covid-19 lockdown slowing construction activity. June 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 but an anticipated income loss of £150k is forecast which will be dependent on construction activity in the next three quarters. 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 two and a half 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 September depending on income monitoring. Any surplus or deficit will be transferred to the Building Control Reserve at year end.

3.11 Waste and Re-cycling - Multi Service Contract – (£69k) underspend

(Mike Hammond xtn 4447, mike.hammond@stroud.gov.uk)

This underspend is made of several offsetting variances. Members will recall that the market for the onward sale of paper and card has been significantly suppressed in recent months, and will see a marked impact on the budgetary position this financial year of around £126k. 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 and as recently reported to Environment Committee. On the positive side of things, increased tonnage is leading to higher recycling credits paid by Gloucestershire County Council; currently estimated to generate (£115k) more revenue for the financial year. The net position on the recycling budget equates to an estimated £14k overspend. An underspend is forecast against the 2020/21 budget on The Multi Service Contract (£95k). This is mainly around recruitment of staff and savings on Fuel across all the services Ubico undertake. In addition, a £10k pressure is currently anticipated on Garden Waste due to the timing of the Covid-19 pandemic.

4. Capital Programme

Table 3 below shows the Capital Outturn forecast for 2020/21 with a projected outturn variance of (£2.007m).

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	1,834	(1,868)
Market Town Centres Initiative Fund	4.2	50	100	100	0
Multi-Service Contract Vehicles	4.3	712	822	822	0
Stroud District Cycling & Walking Plan	4.4	200	204	65	(139)
Wallbridge-Gateway	4.5	100	100	100	0
Environment Capital Schemes TOTAL		4,379	4,928	2,921	(2,007)

4.1 Canal

The Bid to the National Lottery Heritage Fund was submitted on 29 May 2020; a decision is expected on 29 September 2020. Preparatory work continues, especially around land acquisition and the forthcoming planning application for the 'Missing Mile'. Design work for Ocean Railway Bridge is well underway and a start on preparing the site compound will be made during September. This has to begin now if the Network Rail requirement to undertake the actual bridge installation in May 2021 is to be met.

The overall programme remains on target, and the budget will be reprofiled across financial years as part of the budget setting process.

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 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. 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 Stroud District Cycling and Walking Plan

Work on the Nailsworth to Dudbridge cycle way has been completed. More expenditure has been earmarked for a section of the Cam-Dursley greenway and as a contribution towards the design phase of the Wotton-Kingswood-Charfield greenway. Further outlay on a section of Stroud-Dudbridge cycleway and other existing and aspirational routes is likely going forward.

4.5 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.

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.

Lucy Clothier, Accountancy Manager

Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk

5.2 Legal Implications

There are no legal implications arising from the recommendation in this report

Patrick Arran, Interim Head of Legal Services & Monitoring Officer

Tel: 01453 754369 Email: patrick.arran@stroud.gov.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.

Appendix A

	Para Refs	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2020/21 Forecast Outturn (£'000)	2020/21 Outturn Variance (£'000)
Environment Committee					
Canal Partnership		164	164	177	13
Canal		164	164	177	13
Energy Efficiency		109	109	107	(2)
Carbon Management		109	109	107	(2)
Development Control		184	184	730	546
Development Control	3.6	184	184	730	546
Economic Development		35	35	35	0
Regeneration		64	64	67	2
Economic Development		99	99	102	2
Contaminated Land		30	30	45	15
Dog Warden Service		84	84	96	12
Environmental Protection		180	180	168	(12)
Food Safety		150	150	163	13
Head of Health and Wellbeing		75	75	75	0
Health & Wellbeing		128	135	140	5
Health and Safety		82	82	78	(4)
Land Drainage		42	210	201	(9)
Pest Control		7	7	22	15
Planning Liaison		15	15	15	0
Port Health		2	2	(1)	(3)
Public Health		36	36	36	(0)
Health & Wellbeing	3.7	831	1,007	1,037	30
Land & Property Custodian		11	11	50	39
Street Naming		(30)	(30)	(15)	15
Land Charges & Street Naming	3.8	(19)	(19)	35	54
Planning Strategy		410	410	443	2
Planning Strategy/Local Plan	3.9	410	410	443	2
Building Control		(137)	(137)	(71)	66
Building Regulation Enforcement / Advice		32	32	22	(10)
Securing Dangerous Structures		12	12	6	(6)
Statutory Building Control	3.10	(93)	(93)	(43)	50
Waste & Recycling: Other		12	12	12	0
Waste & Recycling: Other		12	12	12	0
MSC: Bulky Waste		12	12	6	(6)
MSC: Food Waste		747	747	739	(8)
MSC: Garden Waste		(93)	(93)	(129)	(37)
MSC: Recycling		1,508	1,508	1,514	6
MSC: Refuse Collection		1,380	1,380	1,360	(20)
MSC: Street Cleansing		687	687	683	(5)
Waste and Recycling: MSC	3.11	4,241	4,241	4,172	(69)
Environment TOTAL		5,937	6,113	6,772	628