

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE
REPORT FOR INFORMATION

Report Title	Budget Monitoring Report Q3 2019/20			
Purpose of Report	To present the 2019/20 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 to 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	No appendices			
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 third monitoring position statement for the financial year 2019/20. 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.

- 1.3 Council approved the General Fund Revenue budget for 2019/20 in February 2019 including budget proposals of the administration.
- 1.4 The latest budget for Environment Committee taking into account the adjustments for carry forwards and re-distribution of service budgets is **£5.696m** (Original Budget was **£5.425m**).
- 1.5 The monitoring position for the committee at 31 December 2019 shows a **projected net overspend of £138k** against the latest budget, as summarised in Table 1. The overall position on the General Fund will be considered by Strategy and Resources committee at their meeting in April 2020.
- 1.6 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). Table 4 provides a more detailed breakdown on the Committee's budgets.
- 1.7 Table 3 shows the capital spend and projected outturn for the Environment Committee for 2019/20.

2. Table 1 – Environment Revenue budgets 2019/20

Environment Committee	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2019/20 Forecast Outturn (£'000)	2019/20 Reserve Transfers (£'000)	2019/20 Outturn Variance (£'000)
Canal		6	32	236	0	204
Carbon Management		71	135	120	0	(15)
Development Control		41	130	206	0	76
Director (Development Services)		119	78	100	0	22
Economic Development		91	102	151	0	50
Health & Wellbeing		780	951	818	85	(48)
Land Charges & Street Naming		(51)	(42)	(33)	0	9
Planning Strategy/Local Plan		309	374	432	(50)	9
Statutory Building Control		92	(29)	(104)	55	(21)
Waste & Recycling: Other		20	20	12	0	(8)
Waste and Recycling: MSC		3,947	3,947	3,806	0	(140)
Environment TOTAL		5,425	5,696	5,745	89	138

The table below outlines the key variances for this Committee.

Table 2 - Headline Budget variances

Service	Para Refs	Overspend/ (Underspend) (£'000)
Canal		204
Development Control		76
Director (Development Services)		22
Economic Development		50
Health & Wellbeing		(48)
Statutory Building Control		(21)
Waste and Recycling: MSC		(140)
TOTAL		143

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

2.1 Canal – £204k overspend

(Dave Marshall xtn 4646, david.marshall@stroud.gov.uk)

An overspend has been identified on revenue costs, however this is offset by an underspend within the capital budget (paragraph 3.1). The overall Canal project is currently expected to be on budget and therefore this will not cause an overall pressure to the Council as this spend is funded within the overall programme.

2.2 Development Control – £76k underspend/ under achievement of income

(Geraldine LeCointe xtn 4233, geraldine.lecointe@stroud.gov.uk)

Application fee income is currently down in comparison with this time of year over the last 3 years but interrogation of these historic statistics also shows how there is no predictable pattern to income month on month or year on year. For example, in 2016/17 income was looking very healthy at this time, only to end the financial year with the lowest yearly income of the last 5 years.

The service has also taken a cautionary approach because of the as yet unknown impact of Brexit on the development sector.

The service has been reviewed and a new structure was put in place in June 2019. The new structure should allow us to improve the pre-application service we provide and thus increase income (within the context that legally the service can only seek to cover its costs in providing a pre-application advice service), however on-going staffing and recruitment issues are hampering our ability to implement these changes.

2.3 Director (Development Services) – 22k overspend

(Kathy O'Leary xtn 4780, kathy.oleary@stroud.gov.uk)

This overspend is directly related to redundancy costs associated with the re-structure of the Senior Leadership team that was approved by Strategy and Resources in July 2019.

2.4 Economic Development – £50k overspend

(Pippa Stroud xtn 4099, pippa.stroud@stroud.gov.uk)

In 2018 support business rates support, in the form of a discount against business rates, was offered to a business who were relocating within the District. This relocation is now complete and as the support was offered in 2018 it creates an overspend in the 2019/20 financial year.

2.5 Health & Wellbeing – (£48k) underspend

(Jon Beckett xtn 4443, jon.beckett@stroud.gov.uk)

This underspend is directly related to salaries. A number of in-year vacancies have been identified (including Business Support roles and Health and Safety Officer), which have now been recruited to. There has also been a reduction in hours with the service which has contributed to this saving. Any changes to establishment have been identified as part of the budget setting process.

2.6 Statutory Building Control – (£21k) underspend

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

This underspend is predominately around salaries. The Building Control Service was subject to a service review which concluded in June and a new establishment put in place. As a result of this there have been some in year vacancies. An Area Building Control Surveyor post remains vacant and will be reviewed in Q4 ahead of the new financial year. The shared service with Gloucester City Council is up for renewal in June 2020, this may also impact on the recruitment of this post.

2.7 Waste and Re-cycling: Multi Service Contract – (£140k) underspend

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

A variance is forecast within the Waste & Recycling budget for the sale of recyclates. The performance of recyclate sales in the past months have exceeded expectations. However, as indicated in the last report, markets for the onward sale of paper and card remain compressed. Whilst SDC has been insulated from this within the existing contract, it will end shortly, exposing us fully to current market conditions. This is now very likely to impact the budgetary position in 2020/21. A (£50k) underspend has been forecast on the Ubico Re-cycling Contract, primarily due to a delay in recruitment and posts not yet filled.

3. Capital Programme

Table 3 below shows the Capital Outturn forecast for 2019/20 with a projected outturn variance of (£260m).

Table 3 – Environment Committee Capital Programme

Environment Capital Schemes	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2019/20 Forecast Outturn (£'000)	2019/20 Outturn Variance (£'000)	2020/21 Original Budget (£'000)
Canal		732	1,068	969	(99)	3,317
Market Town Centres Initiative Fund		50	113	63	(50)	50
Multi-Service Contract Vehicles		684	684	628	(56)	712
Stroud District Cycling & Walking Plan		100	100	45	(55)	200
Wallbridge-Gateway		0	0	0	0	100
Environment Capital Schemes TOTAL		1,566	1,965	1,705	(260)	4,379

3.1 Canal

The overall canal programme is currently forecast on target, with the underspend in capital costs offset by the salary costs in revenue (paragraph 2.1). The variance relating to the budget in the 2019/20 capital programme relates to a change in profiling of the budget. The Council's contribution is expected to remain at £0.44m for the development stage, bringing the total spend to £0.8m at the end of this financial year, leaving £2.2m remaining from the £3.0m funding commitment. Any overall variance would affect the Council's in year contribution, with the total expenditure remaining at £3.0m for the Phase 1B project, plus £0.16m committed for interim costs pending the HLF bid, as included in the 2020/21 budget.

3.2 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 the Town Councils and funds cannot be released until this confirmation is received. Reminders have been sent out in anticipation of this but 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.

3.3 Multi- Service Contract – Vehicles

The forecast spend for the fleet management programme is £628k, this has been a great success in removing the number of vehicles from hire on the contract. Further procurement will be required to finalise specifications in order to future proof vehicles for the changes in service delivery. The vehicles will be procured once the specification have been agreed in 2020/21.

3.4 Stroud District Cycling and Walking Plan

The resurfacing of the Nailsworth/Dudbridge route, which is being led by Gloucestershire Wildlife Trust as part of their ERDF Wild Towns project is nearing completion.

A finalised route between Uley and Cam station, via Dursley and Cam was agreed in March 2019. £50k of the Cycling and Walking budget has been earmarked to spend on

resurfacing some sections of this route, with a meeting scheduled for late March/early April to discuss how these funds will be allocated.

A feasibility study for a high-quality utility cycle route between Chalford and Stroud has been carried out by an independent Dutch consultancy called Witteveen and Bos, and is due to be released shortly. SDC has not contributed to the cost of the study but is contributing £600 towards a document to present the project to the public.

Initial work into the feasibility of a Kingswood/Wotton/Charfield Greenway route has been completed by Sustrans. They are now looking to progress towards the design phase, towards which SDC has earmarked £10k. A tender has been put out to carry out this next phase.

3.5 Wallbridge Gateway

Ecotricity withdrew their application to match fund on this project last financial year. SDC and Stroud Town Council are seeking designs for a scheme within the budget, this budget has now been re-profiled to 2020/21.

	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2019/20 Forecast Outturn (£'000)	2019/20 Reserve Transfers (£'000)	2019/20 Outturn Variance (£'000)
Environment Committee						
Canal Restoration Project		0	0	1	0	1
Canal Partnership		6	32	234	0	202
Canal		6	32	236	0	204
Energy Efficiency		71	135	120	0	(15)
Carbon Management		71	135	120	0	(15)
Footpaths		(2)	0	0	0	0
Conservation		60	0	0	0	0
Development Control		(241)	130	175	0	45
Planning Appeals		71	0	31	0	31
Tree Conservation		43	0	0	0	0
Planning Enforcement		109	0	0	0	0
Development Control		41	130	206	0	76
Director (Development Services)		119	78	100	0	22
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Economic Development		35	35	103	0	68
Market Town Projects		0	0	0	0	0
Regeneration		56	67	48	0	(19)
Economic Development		91	102	151	0	50
Head of Health and Wellbeing		72	72	73	0	0
Health & Wellbeing		126	134	118	0	(16)
Contaminated Land		27	26	23	0	(4)
Dog Warden Service		79	75	86	0	11
Environmental Protection		154	152	158	0	6
Food Safety		154	153	145	0	(8)
Health and Safety		89	88	74	0	(14)
Land Drainage		39	210	131	85	6
Public Health		44	44	35	0	(10)
Pest Control		5	6	(12)	0	(18)
Port Health		2	2	(1)	0	(3)
Planning Liaison		(11)	(11)	(9)	0	2
Health & Wellbeing		780	951	818	85	(48)
Land & Property Custodian		(36)	(27)	(3)	0	24
Street Naming		(15)	(15)	(30)	0	(15)
Land Charges & Street Naming		(51)	(42)	(33)	0	9
Planning Strategy		309	374	432	(50)	9
Planning Strategy/Local Plan		309	374	432	(50)	9
Planning and Building Control Admin		266	55	46	0	(9)
Building Control		(244)	(129)	(184)	55	0
Securing Dangerous Structures		10	15	15	0	0
Building Regulation Enforcement / Advice		60	31	19	0	(12)
Statutory Building Control		92	(29)	(104)	55	(21)
Waste & Recycling: Other		20	20	12	0	(8)
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MSC: Refuse Collection		1,320	1,348	1,390	0	42
MSC: Food Waste		511	546	514	0	(32)
MSC: Recycling		1,433	1,447	1,301	0	(146)
MSC: Bulky Waste		7	7	6	0	(1)
MSC: Garden Waste		29	(41)	(80)	0	(39)
MSC: Street Cleansing		647	640	676	0	36
Waste and Recycling: MSC		3,947	3,947	3,806	0	(140)
Environment TOTAL		5,425	5,696	5,745	89	138

4. IMPLICATIONS

4.1 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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4.2 Legal Implications

There are no significant implications within this category.

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4.3 Equality Implications

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

4.4 Environmental Implications

There are no significant implications within this category.