

STROUD DISTRICT COUNCIL

ENVIRONMENT COMMITTEE

THURSDAY, 31 MARCH 2022

Report Title	BUDGET MONITORING REPORT Q3 2021/22			
Purpose of Report	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.			
Decision(s)	The Committee RESOLVES to note the outturn forecast for the General Fund Revenue budget and the Capital Programme for this Committee.			
Consultation and Feedback	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 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
	No	No	No	No

1. BACKGROUND

- 1.1 This report provides the third 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 31 December 2021 shows a projected net revenue **underspend of (£327k)** against the latest budget, as summarised in Table 1.
- 2.2 The capital programme is showing a forecast underspend of £5.194m against a budget of £6.815m. The variance of (£1.620m) relates to re-profiling of timings, predominantly on the Canal project, Stroud & District Walking Plan and the Multi Service Contract vehicles.
- 2.3 Table 2 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 31 December 2021 shows a **projected net underspend of (£327k)** against the latest budget, as summarised in Table 1.
- 3.4 The outturn position is mainly attributable to those items outlined in Table 1 with an explanation of the significant variances (including any 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

		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)
Environment Committee	Para Refs					
Canal		379	(120)	(141)	20	(1)
Carbon Management		110	173	181	(5)	4
Development Control		197	197	196	0	(1)
Economic Development		101	111	124	(22)	(9)
Health & Wellbeing	3.6	830	941	719	220	(2)
Land Charges & Street Naming		(18)	(18)	(37)	0	(19)
Planning Strategy/Local Plan	3.7	370	430	239	189	(2)
Statutory Building Control		(137)	(137)	(140)	3	0
Waste & Recycling: Other		12	12	27	0	16
Waste and Recycling: MSC	3.8	4,329	4,329	4,016	0	(314)
Environment TOTAL		6,172	5,917	5,185	405	(327)

3.6 Health & Wellbeing – (£220k) Reserve transfer

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The overall forecast variance is insignificant, but it does reflect a (£220k) reserve transfer. (£93k) of this relates to COMF (Contain Management Outbreak Funding) which is in place to continue the council's operational covid prevention, response and outbreak management function in the financial year 2022-23. The money was passported to SDC from GCC's Public Health COMF through business cases, to provide pandemic environmental health and licensing resource. The council is retaining a core team of specialist staff who will be repurposed to help other environmental health priorities such as licensing and health and safety at work interventions, and this core team could be stood back up to lead on covid response if another more severe variant emerges in the coming year. This meets SDC's responsibilities in the Living with Covid Plan, as well as providing resilience for future outbreak situations. The Leader of GCC has confirmed that this passported COMF is permitted to be carried forward in to 2022-23 and this has been further supported by written confirmation from DHSC.

The remaining (£127k) is directly attributable to Land Drainage Projects and is requested to be a carried forward to 2022/23. This is external funding earmarked to fund SDC contributions to partnership flood alleviation schemes and opportunities which arise in

future particularly where match funding is required. An underspend on partnership funding for Rural Suds has also been identified.

3.7 Planning Strategy – (£189k) Reserve transfer

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A (£165k) favourable variance is forecast, this is to be transferred to reserves to contribute to the cost of local plan examination and additional transport modelling in 2022/23, with any surplus to cover economic development projects. The remaining (£24k) is related to Standish referendum and Stroud examination funds, this is requested to be carried over to 2022/23.

3.8 Waste and Re-cycling - Multi Service Contract – (£314k) additional income/overspend

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

This underspend is made of several offsetting variances. Recycling is forecasting an additional (£220k) 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 (£21k) favourable variance, the service income continues to be inflated post pandemic. Sustained growth of garden waste subscriptions will impact the forecast income variance by (£122k) 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.

The Ubico contract continues to be monitored closely on a monthly basis, the current forecast is showing an overspend of **£118k** due to several factors, including an outstanding insurance dispute claim of £50k, theft of diesel from the Gossington site £25k and 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. CAPITAL PROGRAMME

- 4.1 Table 2 below shows the Capital Outturn forecast for 2021/22 with a projected outturn variance of (**£1.620m**).

Table 2 – Environment Committee Capital Programme

Environment Capital Schemes	Para Refs	2021/22 Original Budget (£'000)	2021/22 Revised Budget (£'000)	2021/22 Forecast Outturn (£'000)	2021/22 Outturn Variance (£'000)
Canal	4.2	6,631	4,814	4,263	(551)
Market Town Centres Initiative Fund	4.3	50	40	40	0
Multi-Service Contract Vehicles	4.4	859	1,513	763	(750)
Rural SuDS Project	4.5	30	30	30	0
Stratford Park Acquisition of Machinery	4.6	0	14	14	0
Stroud District Cycling & Walking Plan	4.7	200	404	55	(349)
Wallbridge-Gateway	4.8	100	0	30	30
Environment Capital Schemes TOTAL		7,870	6,815	5,194	(1,620)

4.2 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.

4.3 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 and the remaining budget will be spent in this financial year.

4.4 Multi-Service Contract Vehicles

The current forecast reflects a number of vehicles that were due to be delivered before the 31 March, these have now been delayed due to the current global issues within the vehicle manufacturing industry. Delivery for the majority is now projected in the first quarter of the new financial year. Members will recall that the revised budget includes an additional Garden Waste RCV and the supplementary cost of the Electric Truck Sweeper. This was approved as part of the overall 5 year Capital Plan to S & R in January 2022 and Council in February 2022.

4.5 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.

4.6 Stratford Park Acquisition of Machinery

The overall Capital project of £95k was approved in 2020-21 for the transfer of grounds maintenance contract for Stratford Park and Brimscombe Cemetery to Ubico. The remaining £14k is earmarked for site enhancements and options are currently being reviewed.

4.7 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) and the findings and recommendations of the Cycling and Walking Task & Finish Group which are due to be presented to Environment Committee on 31st March.

4.8 Wallbridge Gateway

The £30k forecast variance is attributable to procuring consultants to deliver a design brief for this scheme and to support the Levelling Up Fund bid and progress the delivery of a scheme on the site. The remaining budget is to be spent in 2022/23.

5 IMPLICATIONS

5.1 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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5.2 Legal Implications

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

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5.3 Equality Implications

An EIA is not required because 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.