

STROUD DISTRICT COUNCIL

ENVIRONMENT COMMITTEE

08 SEPTEMBER 2022

Report Title	BUDGET MONITORING REPORT Q1 2022/23			
Purpose of Report	To present the 2022/23 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) Note the outturn forecast for the General Fund Revenue budget and the Capital Programme for this Committee. b) Agree the subscription fee for Garden Waste changing to £51.50 for 2023.			
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 the difference between budgets, 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 2022/23. 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 2022 shows a **projected net revenue underspend of (£87k)** against the latest budget, as summarised in Table 1.
- 2.2 The capital programme is showing a forecast spend of £6.358m against a budget of £9.793m. The variance of (£3.435m) relates to re-profiling of timings, predominantly on the Canal project.

2.3 Table 2 shows the capital spend and projected outturn for the Environment Committee for 2022/23.

3. REVENUE BUDGET POSITION

3.1 Council approved the General Fund Revenue budget for 2022/23 in February 2022 including budget proposals of the administration.

3.2 The latest budget for Environment Committee taking into account the adjustments for carry forwards and Development Control moving across to DCC, is **£6,696m** (Original Budget was **£6,465m**).

3.3 The monitoring position for the committee at 30th June 2022 shows a **projected net underspend of (£87k)** against the latest budget, as summarised in Table 1, 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 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 2022/23

Environment Committee	Para Refs	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2022/23 Forecast Outturn (£'000)	2022/23 Reserve Transfers (£'000)	2022/23 Outturn Variance (£'000)
Canal		170	170	170	0	0
Carbon Management	3.6	224	224	173	51	(0)
Economic Development	3.7	236	236	509	(273)	0
Health & Wellbeing		858	909	902	0	(7)
Land Charges & Street Naming		(14)	(14)	(14)	0	0
Planning Strategy/Local Plan	3.8	365	546	655	(67)	43
Statutory Building Control	3.9	(131)	(131)	(195)	50	(15)
Waste & Recycling: Other		26	26	28	0	2
Waste and Recycling: MSC	3.10	4,730	4,730	4,620	0	(110)
Environment TOTAL		6,465	6,696	6,847	(238)	(87)

note: table may contain rounding differences

3.6 Carbon Management – £51k reserve transfer

(Rachel Brain xtn 4521, rachel.brain@stroud.gov.uk)

This is predominately focused around the Innovate to Renovate scheme which includes activity at a county level to develop Retrofit Centre services for householders and, 2030 delivery and coordination for SDC. The funding from WECA providing the 50% (match to SDC reserves contribution) to help administer and support the project work. All roles are fixed term in line with the Innovate to Renovate grant provision.

3.7 Economic Development – (Levelling up) £273k reserve transfer

(Leonie Lockwood xtn 4153, Leonie.lockwood@stroud.gov.uk)

The budget for the submission of the bid to the Levelling Up Fund (LUF) is made up of £50K, already approved in the 2022/23 budget, and a further £275K was approved to be allocated from the Business Rates Pilot funding at the Strategy and Resources Committee on the 7 April to support project development costs, giving a total budget of £325K.

The bid was submitted on the 29 July and the total forecast spend for the LUF bid is £203K. The main items this covers are design fees for the Wallbridge Public Realm improvements, consultant fees for the due diligence for the purchase of the Bath Place site at Cheapside and highways feasibility and business case works through GCC and their appointed consultants, Atkins, as set out in the April S&R report. In addition, a further £100K is forecast to be spent against this code to support feasibility work to assess the options of step free access across the platforms at the station, either by ramps or a lift. The S&R approval in April accepted that £100k of the £275k budget was for this piece of work to be spent with GWR/Network Rail for a submission through either the LUF or through a Department for Transport Access for All bid. The timeframes for the delivery of this project did not tie in with the LUF bid and it is now planned to carry out this feasibility work for a later Access for All bid. This will support the wider master planning work at the station to be done through the Council's Memorandum of Understanding with Network Rail and London Continental Railways (LCR).

3.8 **Planning Strategy - £43k overspend**

(Mark Russell xtn 4305, mark.russell@stroud.gov.uk)

The District Council's role in supporting parish councils to produce NDPs is a statutory requirement. Funding was previously secured when the Government set up a grant system to support their delivery. Under this system, the District Council received £5k each time a neighbourhood area was designated, £5k for each NDP reaching publication stage and £20k for each NDP reaching the referendum stage. This has subsequently been reduced to a payment only when the NDP has reached the referendum stage. Over time the number of NDP's has also declined. A recent aggravating factor has been that the Standish NDP failed its examination in 2022, meaning that the District Council has received no grant to cover the costs of supporting the parish council through the process to date.

The 2022/23 budget is projected to identify a loss with the reserve budget now exhausted. In order to continue to support NDPs (a Council Plan priority and statutory requirement) for future years, it is strongly recommended that as part of the budget setting process later this financial year that a budget is considered for core funding the NDP officer on an ongoing basis from 2023/24.

A salary underspend (£22k) has also been forecast in Nature Recovery & Biodiversity. Recruitment for the role is underway with a view to start mid 2022-23. This in-year saving has been attributed to the overall salary saving reported through to Strategy & Resources Committee.

The £60k transfer from the Climate Change and Recovery reserve is to support the Place Prospectus.

3.9 **Statutory Building Control – £50k reserve transfer**

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

The Building Control fee earning service is required to breakeven over a period of time. There is a significant risk that this will not be achieved in 2022/23 and that the reserve will be depleted this financial year. With this in consideration, there are two vacancies within the service remaining unfilled. Recruitment to these posts will be reviewed later in the year by the shared service board.

3.10 Waste and Re-cycling - Multi Service Contract – (£110k) additional income/overspend
(Mike Hammond xtn 4447, mike.hammond@stroud.gov.uk)

This underspend is made of several offsetting variances. Recycling markets remain buoyant, with income from the sale of material and recycling credits predicted to surpass budget by (£230k). Additional income on Bulkies (£14k) has been forecast. A Budget pressure of £25k has been forecast for the provision of food waste bins/caddies which have seen a steep rise in cost, this will be raised at budget setting later in the year. In addition lower incentive payments predicted of £34k from County due to higher residual waste volumes.

The quarter one Ubico report is forecasting a £86k overspend over the whole of the contract (which do impact other Committees). £42k of this on the Re-cycling mainly due to rising fuel costs nationally. Vehicle hire and repair costs are forecast to overspend due to ageing fleet that has been impacted by the global delays on procurement of new vehicles. The general trend is that costs have increased across all services. We continue to work closely with the partnership and monitor forecasts on a monthly basis.

3.11 Garden Waste Service

Appendix A shows that at this point the Garden Waste Service is currently scheduled to be on budget for this current year. However, there are considerable inflationary pressures on the budget particularly around pay and fuel costs.

Costs for the service have been frozen since the increase to £50 in the bills issued at the end of 2019. The Council has absorbed all additional costs in that time with no impact on charges.

Garden Waste Charges for 2023 are billed in 2022, in advance of budget papers to Committees, necessitating an early decision by this Committee. It is recommended that an increase of 3% is applied for the 2023 year moving the charge to £51.50. This is in line with the percentage increases applied on other fees and charges for the 2022/23 year.

4. CAPITAL PROGRAMME

Table 3 below shows the Capital Outturn forecast for 2022/23 with a projected outturn variance of (£3.435m).

Table 2 – Environment Committee Capital Programme

Environment Capital Schemes	Para Refs	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2022/23 Forecast Outturn (£'000)	2022/23 Outturn Variance (£'000)
Canal	4.1	7,259	8,026	4,853	(3,173)
Multi-Service Contract Vehicles	4.2	466	1,232	1,232	0
Rural SuDS Project	4.3	30	40	70	30
Stroud District Cycling & Walking Plan	4.4	0	395	103	(292)
Wallbridge-Gateway	4.5	100	100	100	0
Environment Capital Schemes TOTAL		7,855	9,793	6,358	(3,435)

4.1 Canal

Projects that were estimated to fall in this financial year have slipped into subsequent years, the whole project is now expected to be completed by mid-2025. Some major elements in the project will be finished including restorations of Pike Lock, Blunder Lock and Newtown Lock this year. Land acquisition is still expected to complete in this financial year. Planning permission for the Missing Mile is still awaited therefore consent to start from the Lottery is impacted. Any variances to the budget are timing differences, which will be reviewed, and the existing budget re-profiled to reflect the timetable. Further information on the overall financial position of the project will be presented to members later in the year.

4.2 Multi- Service Contract – Vehicles

The spend (includes slippage from last financial year due to delayed delivery of vehicles) the overall spend is in line with the fleet programme which is being procured in conjunction with Ubico.

4.3 Rural SuDS

In the first quarter of this financial year, the project has engaged with 12 new landowners for future works and contracts have been issued for three sites with works scheduled to begin in early September in the Slad and Painswick Valleys on a range of interventions including earth bunds, leaky woody dams, de-culverting a stream, creating a raised hedge bank and building several ponds.

Previously planted trees in the upper Painswick valley have been maintained by volunteers from the Stroud Valleys project, including weeding to promote growth and removing plastic tree guards and stakes for recycling. The project has also worked with volunteers at the Cranham Scout centre to construct a pond, gave evidence to the House of Lords Land Use Committee inquiry and hosted a study visit for 32 Hungarian visitors from a range of National and local Government organisations. Finally, we are also entering into new partnerships with the Environment Agency and the Wildfowl and Wetland Trust to put in place hydrological monitoring to help us measure the benefits of the project for both flood and drought resilience.

The additional £30k spend will be funded by GCC in this financial year.

4.4 Stroud District Cycling and Walking Plan

Following the completion of the Walking and Cycling Task and Finish Group in March 2022, a number of strategic and local walking and cycling projects are being progressed and are likely to receive capital funds during 2022/23. These include:

Feasibility work for the Wotton-Kingswood-Charfield Greenway which has been completed. Further capital funding has been allocated to allow for land survey work, and the project is being taken forward as part of the UKSPF bid to fund detailed design work.

A meeting has been held with Berkeley Town Council and their Town Centre working group to look at possible funding streams for their proposed scheme to remodel the town centre for improved accessibility and regeneration.

Several Parish Councils have been contacted following the submission of potential local projects identified through the prioritisation tool developed as part of the Walking and Cycling Task and Finish Group. Funding from the capital budget has been approved for local projects within Nailsworth (bike pump station, cycle storage and street closures for weekly markets). Costs are being finalised with a view to allocating further capital funds for projects in Stonehouse, Wotton-under-Edge, Eastington, and Brimscombe.

A Walking and Cycling event for Parish Councils and local cycling groups is being planned for the autumn in partnership with Active Gloucestershire to publicise the availability of funding for local projects.

The strategic CIL spending round for 2022/23 in the autumn may lead to further opportunities for match funding from the capital budget.

4.5 Wallbridge Gateway

This is match funding towards Wallbridge Public Realm improvements. A bid has been put forward to the Levelling Up Fund, but the outcome is not likely until December as to whether the LUF bid has been successful, then the design work may be spent in 2022/23.

5. IMPLICATIONS

5.1 Financial Implications

The increase in the annual charge by £1.50 is expected to generate income of approximately £23,500 which will be used to meet the rising costs of providing the service.

There are no financial implications arising from the consideration of previous financial activities and expected forecasts.

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5.2 Legal Implications

As the report and recommendations concern budget monitoring there are no specific legal implications. More generally, the authority is required to set a balance budget having given regard to the advice of its Chief Finance Officer (Section 151 Officer). Section 25 of the 2003 Local Government Act requires the Section 151 Officer to comment on the robustness of the estimates and the adequacy of reserves.

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 Equality Implications

There are no significant implications within this category.