

STROUD DISTRICT COUNCIL

ENVIRONMENT COMMITTEE

THURSDAY, 30 MARCH 2023

Report Title	ENVIRONMENT COMMITTEE BUDGET MONITORING REPORT Q3 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, 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 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	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 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 31 December 2022 shows a **projected net revenue overspend of £7k** against the latest budget, as summarised in Table 1.
- 2.2 The capital programme is showing a forecast spend of £3.157m against a revised budget of budget of £4.009m. The variance of (£851k) relates mainly to the potential underspend on the Multi Service Vehicles Capital project and Canal.

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 is £6.742m (Original Budget was £6.465m). This considers any MTFP adjustments, carry forwards, re-profiling of corporate maintenance budgets and Development Control moving across to DCC and the pay award (£1,925) which is funded from reserves as set aside by Strategy & Resources Committee.

3.3 In response to the impact of the cost of living crisis, a detailed exercise examining the effect on the gas and electric services within the Council has been undertaken. Estimates have been included within the budget forecast outturn position where applicable.

3.4 The monitoring position for the committee at 31st December 2022 shows a **projected net overspend of £7k** 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.

3.5 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).

3.6 Appendix A provides a more detailed breakdown on the Committee's budgets.

Table 1 – Environment Revenue budgets 2022/23

	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)
Environment Committee						
Canal	3.7	170	20	(18)	38	0
Carbon Management	3.8	224	231	121	103	(6)
Economic Development	3.9	236	293	470	(225)	(48)
Health & Wellbeing		858	940	901	43	4
Land Charges & Street Naming		(14)	(10)	(42)	30	(2)
Planning Strategy/Local Plan	3.10	365	627	769	(67)	75
Statutory Building Control	3.11	(131)	(114)	(106)	45	53
Waste & Recycling: Other		26	26	28	0	2
Waste and Recycling: MSC	3.12	4,730	4,730	4,603	55	(72)
Environment TOTAL		6,465	6,742	6,727	22	7

note: table may contain rounding differences

3.7 Canal – £38k - Cfwd/reserve transfer

(Chris Mitford -Slade xtn 4521, chrisms@stroud.gov.uk)

Delays to the project including planning permission, have meant the timeline for the project (Community Engagement) has been extended into 2023-24. This is currently being funded by COMF monies from GCC, and it has been agreed that this can be carried forward into next financial year.

3.8 Carbon Management – £103k 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.

3.9 Economic Development – (£48k) additional income/underspend

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

(Tom Ridley xtn 4047, tom.ridley@stroud.gov.uk)

(Levelling up) £225k reserve transfer

The budget for the submission of the bid to the Levelling Up Fund (LUF) is made up of an original budget of £50k, 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 total forecast spend in 2022/23 for the project work to enable the bid to be submitted is £179,255. The main items this covers are design fees for the Wallbridge Public Realm improvements, and highways feasibility and business case works through GCC and their appointed consultants, Atkins, as set out in the April S&R report. The consultant fees for the due diligence for the purchase of the Bath Place site at Cheapside have now been moved to a new cost centre for that site now that the property has been acquired and hence the reduced forecast figure from quarter 2.

As reported in quarter 2, in addition, a further £100k is forecast to be spent against this code to support the options and detailed design of step free access across the platforms at the station, either by ramps or a lift, for a bid to the Department for Transport Access for All bid. A figure of £20K has been agreed to support the feasibility work and the remaining budget will be used to support the detailed design. The final figure to support this work has not yet been confirmed by GWR nor the spend profile between 2022/23 and 2023/24 and so this is still the current estimate. This results in a total forecast spend of £225k in 2022/23. 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).

CIL- Community infrastructure levy (£39k)- additional income

The Community Infrastructure Levy (CIL) is a charge that local authorities can set on new development in order to raise funds to help fund infrastructure - needed to support new homes and businesses.

The Levy was adopted in Stroud District 1 April 2017 and is due for payment upon commencement of development. As there is a lag between planning permission being granted and commencement of development, payments are now beginning to increase as

the planning permissions are being built. Officers have projected an increase in CIL Liabe developments being built this year which will result in a greater collection of CIL and higher admin collection.

3.10 Planning Strategy - £75k 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. Funding the NDP officer has been included in the 2023/24 budget.

A salary underspend (£42k) 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.

3.11 Statutory Building Control – £53k 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 and has been addressed as part of the budget setting process.

3.12 Waste and Re-cycling - Multi Service Contract – (£72k) additional income/overspend

(Mike Towson xtn 4336, michael.towson@stroud.gov.uk)

This underspend is made of several offsetting variances. Recycling markets in particular the market for paper and cardboard have been strong in the first half of the financial year, with income from the sale of material and recycling credits, predicted to surpass budget by (£55k). The renewed dry mixed recycling contract has improved costs by (£220k). However, the position should be somewhat cautioned with the knowledge that a downturn in markets has now commenced; this could impact the final year end picture. Additional income on Bulkies (£14k) continues to be forecast and an additional (£135k) on the Garden Waste scheme. Incentive payments from the County Council are expected (£10k) due to higher residual waste volumes. Income from sale of vehicles is forecast to be (£45k) which will be transferred to the Repairs and Replacement reserve at year end. In addition, a contribution from S106 monies towards maintenance costs on public open spaces of (£83k) has been received. Budget pressures of £89k have been identified on the provision of receptacles, with dramatic cost increases being reflected across all bin/box types.

The quarter three Ubico report is forecasting a £420k overspend over the whole of the contract (which impacts other Committees as well). The predominant feature of this overspend is the pay award £216k that was agreed in December 2022. Rising National fuel costs have resulted in a £143k overspend and vehicle hire and repair costs are forecast to overspend £44k 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.

4. CAPITAL PROGRAMME

Table 2 below shows the Capital Outturn forecast for 2022/23 with a projected outturn variance of **(£851k)**.

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	2,550	2,089	(462)
Multi-Service Contract Vehicles	4.2	466	1,232	868	(364)
Rural SuDS Project	4.3	30	70	70	0
Stroud District Walking & Cycling Plan	4.4	0	130	130	0
Wallbridge-Gateway	4.5	100	27	1	(26)
Environment Capital Schemes TOTAL		7,855	4,009	3,157	(851)

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 2026. The budget has been revised to reflect this position. 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. A full update on the financial position of the project, including revised costs and funding, was presented to Strategy and Resources Committee in November 2022.

4.2 Multi- Service Contract – Vehicles

The capital programme for Ubico fleet replacement is showing an underspend of (£364k). This is predominantly in light of supply chain issues, impacting delivery times and increased prices. The overall spend is being procured in conjunction with Ubico and any underspend will be re-profiled into 2023/24, depending on vehicle delivery as at 31 March 2023.

4.3 Rural SuDS

In Q3, the project concentrated on construction on interventions at a number of sites in the Slad and Painswick Valleys. A series of low earth bunds were installed into the upper Dillay valley in an area of significant surface flows. These works included breaking up field drains to create a number of ponds and new habitat features and the installation of new attenuation areas in steep gulleys. Work in the Painswick valley included the restoration and de-culverting of a stream lost approx. 50 years ago and the creation of a 340m cross contour

earth bund to attenuate surface flows. This will be planted with a new hedge. Additional works are planned on both sites later in 2023. Finally, new structures were installed at Cranham Scout Centre utilising dying and dangerous Ash trees. Monitoring equipment has been installed at one significant site in the Nailsworth Valley, to collect pre-installation data to add to our evidence base.

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

4.4 **Stroud District Walking and Cycling Plan**

Essential maintenance work on Newman Henders Bridge on the Dudbridge Nailsworth cycle trail has been completed following contributions from CIL and the capital budget. A new round of CIL bids for cycling and walking projects is being considered, with a view to contribute match funding from the cycling and walking budget. A CIL bid for feasibility work on redesigning Dudbridge Steps has been fully funded from the cycling and walking budget. A successful event for Towns and Parishes has been held with a view to encourage local cycling and walking projects throughout the district.

4.5 **Wallbridge Gateway**

The £26.5k spend is for design/consultancy with DHUD. Then the remaining balance of the planned spend is match funding and has been re-profiled to 2023-24 to allow for the LUF bid outcome, which is due to be known in December 2022 (announcement could be pushed into the new year), with no work due to start until 2023/24 even if this is successful.

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 specific legal implications arising from the recommendation of this report.

One Legal

Tel: 01684 272012 Email: legalservices@onelegal.org.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.