

STROUD DISTRICT COUNCIL

ENVIRONMENT COMMITTEE

REPORT FOR INFORMATION

Report Title	BUDGET MONITORING REPORT Q3 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) 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	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 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 31 December 2020 shows a **projected adverse variance of £600k** against the latest budget, as summarised in Table 1.

2.2 The capital programme is showing a forecast spend of £2.409m against a budget of £5.107m. The variance of £2.698m relates to re-profiling 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 **£6.073m** (Original Budget was **£5.937m**).

3.3 The monitoring position for the committee at 30 September 2020 shows a **projected adverse variance of £600k** 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	3.6	164	164	240	0	76
Carbon Management		109	109	115	0	6
Development Control	3.7	184	184	622	0	438
Director (Development Services)		0	0	0	0	0
Economic Development		99	99	101	0	2
Health & Wellbeing		831	1,007	937	73	3
Land Charges & Street Naming		(19)	(19)	(24)	0	(5)
Planning Strategy/Local Plan		410	370	362	0	(8)
Statutory Building Control	3.8	(93)	(93)	(33)	35	95
Waste & Recycling: Other	3.9	12	12	12	0	0
Waste and Recycling: MSC		4,241	4,241	4,234	0	(7)
Environment TOTAL		5,937	6,073	6,565	108	600

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)
Canal	3.6	76
Development Control	3.7	438
Statutory Building Control	3.8	95
TOTAL		609

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

3.6 Canal – £76k overspend

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

Following the announcement of the National Lottery Heritage Fund grant award in October, the necessary preparatory work is well underway. This includes land acquisition, detailed design work and the Missing Mile planning application. Volunteer work has been delayed due to the impact of Covid-19.

The additional cost in revenue is not an overspend on the project, but a change between capital and revenue. The overall programme remains on target and the additional revenue cost will be funded from the overall project resource.

3.7 Development Control – £438k under achievement of income

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

The Covid-19 pandemic continues to have a significant impact on income from planning applications. At the end of Q3, we now anticipate an end of year forecast loss of £500k. The income received in January 21 was the lowest recorded for any month over the last 6 years. At the time of writing, the actuals suggest that the loss may be lower than anticipated as February's income is looking a little healthier than January's. However, as the service has no control over its income stream, it is prudent to keep the forecast loss at £500k. While fees, the number of applications remains high, with an increase in the submission of applications that either attract no fee, such as applications for listed building consent, or a small one, such as prior approval notifications. An early year underspend on salaries reduces some of the impact of the income loss but since September the service has been fully staffed.

The loss of income due to Covid-19 is eligible for the Government's compensation scheme for lost sales, fees and charges. The scheme covers 75% lost income, after deducting 5% to account for volatility in income plus any 'savings' over the same period. Based on the current forecast of £500k income lost, the expected income from Government would be approximately £320k. These figures are reported as Government grants to Strategy and Resources Committee and will change as the lost income figure changes.

3.8 Statutory Building Control – £95k unachievable income

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

Income for the three quarters of the year was £350k, down by £122k against budgeted income for this period due to fluctuations in construction activity as a result of Covid-19 uncertainty. Pre Covid-19 income levels are predicted to return by the end of the first quarter

of 2021, as the country opens back up. In light of this the predicted income loss at year-end is forecast to be £160k. The service has 2.5 vacant posts which has helped to offset some of the income reduction, depending on workloads and with the agreement of the shared service board one surveying post will be filled and the other post removed from the establishment for 2021/22. A year-end deficit is predicted, although the service has £122k in the Building Control Reserve at this time. Which will offset some of the shortfall.

The lost income recoverable through the Government sales, fees and charges compensation scheme is expected to be approximately £95k, based on lost income for the year of £160k, however this figure will change as the expected income loss changes.

3.9 Waste and Recycling - Multi Service Contract – (£7k)

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

The reported variance is less than £20k threshold but within the service there are larger off-setting variances. Quarter two it was reported that the market for the onward sale of paper and card has been significantly suppressed in recent months, and would impact on the budgetary position this financial year of around £137k. Throughout the Pandemic and associated lockdown, it's 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 as reported previously to Environment Committee. On the positive side increased tonnage is leading to higher recycling credits paid by Gloucestershire County Council; currently estimated to generate (£123k) more revenue for the financial year. The net position on the recycling budget equates to an estimated £9k overspend. The forecast underspend for the Ubico contract is (£51k). This forecast incorporates essential vehicle repair costs required for remedial work on Recycling vehicles to repair damage incurred by glass recycling. The saving overall is mainly around recruitment of staff and savings on Fuel across all the services Ubico undertake

4 Capital Programme

Table 3 below shows the Capital Outturn forecast for 2020/21 with a projected outturn variance of **£2.409m**.

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	1,117	(2,585)
Market Town Centres Initiative Fund	4.2	50	50	30	(20)
Multi-Service Contract Vehicles	4.3	712	1,056	1,056	0
Stratford Park Acquisition of Machinery	4.4	0	95	95	0
Stroud District Cycling & Walking Plan	4.5	200	204	110	(94)
Wallbridge-Gateway	4.6	100	0	0	0
Environment Capital Schemes TOTAL		4,379	5,107	2,409	(2,698)

4.1 Canal

Following the announcement of the National Lottery Heritage Fund grant award in October, the necessary preparatory work is well underway. This includes land acquisition, detailed

design work and the Missing Mile planning application. Volunteer work has been delayed due to the impact of Covid-19.

4.2 **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 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 2020/21 budget has been revised in-line with the Ubico fleet replacement programme this incorporates slippage from previous years along with budget re-profiled from future years. Overall the Capital programme is still on schedule, but as we are still in the midst of the pandemic, manufacturers could still be further affected over the coming months which may mean a small number of vehicles will be delivered beyond the end of March 2021. At this point the budget may need some slippage into next financial year.

4.4 **Stratford Park Machinery**

The transfer of grounds maintenance contract for Stratford Park and Brimscombe Cemetery to Ubico was approved on the 14 April 2020 by Officer decision in consultation with group leaders and Chairs of the relevant Committees. £95k capital funding was allocated to the project from within the current MTFP and is fully spent in 2020/21, which allowed the mobilisation of the contract on 1 December 2020.

4.5 **Stroud District Cycling and Walking Plan**

Steady progress with expenditure particularly at Nailsworth-Dudbridge and Cam-Dursley, with future costs to be aligned with the forthcoming Local Cycling and Walking Infrastructure Plan (LCWIP). Any slippage identified will be carried forward to next Financial Year.

4.6 **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. It is recommended in light of this information, that the budget is therefore proposed to be re-profiled to 2021/22.

Appendix A

	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)
Environment Committee						
Canal Management and Maintenance		0	0	1	0	1
Canal Partnership		164	164	240	0	75
Canal	3.6	164	164	240	0	76
Energy Efficiency		109	109	115	0	6
Carbon Management		109	109	115	0	6
Development Control		184	184	611	0	427
Planning Appeals		0	0	10	0	10
Development Control	3.7	184	184	622	0	438
Economic Development		35	35	35	0	0
Regeneration		64	64	66	0	2
Economic Development		99	99	101	0	2
Contaminated Land		30	30	32	0	2
Dog Warden Service		84	84	99	0	14
Environmental Protection		180	180	173	0	(7)
Food Safety		150	150	153	0	2
Head of Health and Wellbeing		75	75	83	0	8
Health & Wellbeing		128	135	120	8	(8)
Health and Safety		82	82	75	0	(7)
Land Drainage		42	210	146	65	1
Pest Control		7	7	8	0	1
Planning Liaison		15	15	15	0	0
Port Health		2	2	(1)	0	(3)
Public Health		36	36	36	0	(0)
Health & Wellbeing		831	1,007	937	73	3
Land & Property Custodian		11	11	(7)	0	(18)
Street Naming		(30)	(30)	(17)	0	13
Land Charges & Street Naming		(19)	(19)	(24)	0	(5)
Planning Strategy		410	370	362	0	(8)
Planning Strategy/Local Plan		410	370	362	0	(8)
Building Control		(137)	(137)	(61)	35	111
Building Regulation Enforcement / Advice		32	32	21	0	(11)
Securing Dangerous Structures		12	12	6	0	(6)
Statutory Building Control	3.8	(93)	(93)	(33)	35	95
Waste & Recycling: Other		12	12	12	0	0
Waste & Recycling: Other		12	12	12	0	0
MSC: Bulky Waste		12	12	(9)	0	(20)
MSC: Food Waste		747	747	706	0	(41)
MSC: Garden Waste		(93)	(93)	(135)	0	(42)
MSC: Recycling		1,508	1,508	1,605	0	97
MSC: Refuse Collection		1,380	1,380	1,384	0	4
MSC: Street Cleansing		687	687	683	0	(4)
Waste and Recycling: MSC	3.9	4,241	4,241	4,234	0	(7)
Environment TOTAL		5,937	6,073	6,565	108	600