

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

5 DECEMBER 2019

11

Report Title	ENVIRONMENT COMMITTEE REVENUE ESTIMATES – REVISED 2019/20 AND ORIGINAL 2020/21
Purpose of Report	To present to the Committee the revised estimates for 2019/20 and original estimates for 2020/21.
Decision(s)	The Committee RECOMMENDS to Strategy and Resources that: a) The revised Environment Committee budget for 2019/20 and original 2020/21 revenue budget are approved. b) The Fees and Charges list as shown in Appendix B is approved.
Consultation and Feedback	Consultation has been undertaken with residents and businesses. Feedback on the outcome of the consultation will be provided to Strategy and Resources committee at the meeting.
Financial Implications & Risk Assessment	This report sets out the draft budget relating to the Committee for 2020/21. This will form part of the budget setting process to be considered by Strategy and Resources Committee in January 2020 and Council in February 2020. Lucy Clothier, Interim Accountancy Manager Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk
Legal Implications	There are no legal implications arising from this report. Patrick Arran, Interim Head of Legal Services Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk
Options	The Administration will be considering its budget options at the Strategy and Resources Committee meeting on 30 January 2020. Council will consider the overall budget position for 2020/21 on 20 January 2020.
Background Papers and Appendices	Appendix A – Committee’s detailed budget Appendix B – Fees and charges

Background

1. The Budget Strategy report to Strategy and Resources Committee in October 2019 set out the way in which the Council would approach setting budgets for the forthcoming financial year.
2. Members will be aware from the 2019/20 budget and MTFP (approved in January 2019) and the Budget Strategy reports, that the Council is facing a number of financial challenges in 2020/21 and future years. A budget deficit has been forecast in the latter part of the medium

term due to anticipated reductions in the level of government funding and inflationary/cost pressures across the Council's services. The Committees service revenue budgets have been prepared in accordance with the budget framework set out in the Budget Strategy report.

3. The Medium Term Financial Plan (MTFP) report to Strategy and Resources will set out a projection of General Fund expenditure over the medium term 2020/21 to 2023/24. This report sets out a more detailed analysis of the changes to the Environment Committee budget for 2019/20 (Revised Estimates) and 2020/21 (Original Estimates).
4. **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.**

Revenue Budget position

5. The original budget for the Environment Committee was **£5.425m**. This has been revised for the 2019/20 revised estimates and 2020/21 original estimates, incorporating changes arising from unavoidable inflationary cost pressures, budget pressures and efficiency savings. These estimates have only changed from the original budget approved in February 2019, as a result of items reported to the committee in budget monitoring reports.
6. This has subsequently been used as the base estimate for both 2019/20 revised and 2020/21 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. The original budget approved in February 2019 has only changed as a result of items reported to the Committee in budget monitoring reports.
7. The original estimate for Environment Committee Budget for 2020/21 is **£5.770m, an increase of £74k** on the base budget. This is largely due to the following significant budget changes, as outlined in table one below.

Table 1 – Summary of changes from the 2019/20 Original Budget

Environment Committee	para	2019/20 Revised Estimate (000's)	2020/21 Original Estimate (000's)
Base Budget		5,425	5,696
Virements/adjustments	8	271	(340)
Recurring changes:	9		
Pay increases			76
Fees and charges growth			(16)
Pensions increases			0
Contract increases			70
Proposed budget adjustments	10		284
Net Service Budget		5,696	5,770

(Table subject to roundings)

8. In year virements/adjustments

In year virements/adjustments include re-distribution of Corporate Maintenance budgets according to the proposed schedule of work within each Committee, alignment of budgets to agreed establishment structures and re-allocation of Directors budgets to Strategy and Resources Committee.

9. Inflation

a) Pay Inflation - £76k

The 2020/21 salary budgets have been increased by an initial 2.5% in line with budget strategy.

b) Price inflation – (£16k)

Fees and charges budgets have been inflated by 2.5%, unless stated otherwise on the fees and charges appendix.

A full list of fees and charges for this Committee is included in Appendix B.

c) Contract Increases - £70k

Contract inflation has been updated in line with the Budget Strategy, this includes insurance uplift, software budgets, business rates and the Multi Service Contract.

d) Multi Service Contract - £142k

Discussions have taken place with Ubico much earlier this year on the contract sum, with a robust dialogue around the Council's expectations. The contract sum for 2020/21 has been set at £6.015m (2019/20 budget is £5.873m). This includes a £55k pressure (Table 2) for the additional round to support the increased demand on recycling and the contract for a full year's service (£95k pressure last financial year). We will continue to receive monthly budget monitoring reports from Ubico with detailed management information, this ensures a thorough approach to any variations, which are investigated and reported in a timely manner.

10. Budget Pressures & Efficiencies

Table two provides a detailed overview of the budget pressures and efficiencies for 2019/20 and 2020/21, which have been incorporated into the General Fund budget.

Table 2 – Budget Pressures and Savings

SERVICE	Para	REASON FOR PRESSURE/SAVING	2020/21 (£'000)
Waste & Recycling	11	Additional round for full year contract	55
Waste & Recycling	12	Reduced contribution from GCC (Multi Service Contract)	200
Land Charges	13	Reduced income reflecting lower caseloads	40
		Subtotal - Pressures	295
Various		Minor Budget Adjustments	-11
		Subtotal - Savings	(11)
		Total Environment	284

11. Waste & Recycling - £55k

Members will recall that a new recycling round was introduced in August 2019 due to property growth in the district. This was achieved with minimal disruption to the service and extremely limited collection day changes. The budget was adjusted in 2018/19 to reflect the part year change, this additional £55k will bring the budget for 2020/21 in line with a full year cost.

12. Waste & Recycling - £200k

As has been reported previously, Gloucestershire County Council have continued to negotiate with districts regarding a successor agreement to the Food Waste Incentive scheme. Whilst SDC representation has helped, there will still be a substantial reduction in payments from July 2020. GCC officers will be recommending to their Cabinet on Dec 18, a scheme forecast to reduce SDC income by circa. £200k per annum.

13. Land Charges - £40k

Falling demand for the Local Land Charges Service (currently running at up to 30% less) will result in a significant reduction in income. This is due to external factors beyond our control.

CAPITAL

Table 3 below outlines the capital schemes that the committee is responsible for.

These changes have been reflected in the table below, but at this stage, not further changes have been incorporated into the Capital Programme. Council will consider the Capital Programme and the Capital Strategy at their meeting in February 2020.

Table 3 – Capital schemes 2019/20 and 2020/21

Environment Capital Schemes	Para Refs	2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2020/21 Original Budget (£'000)
Canal	14	732	2,029	737
Market Town Centres Initiative Fund	15	50	113	50
Multi-Service Contract Vehicles	16	684	684	712
Stroud District Cycling & Walking Plan	17	100	100	200
Wallbridge-Gateway	18	0	0	100
Environment Capital Schemes TOTAL		1,566	2,926	1,799

14. Canal

The Council and Cotswold Canals Trust have now secured the **£842k** crucial development funding from the Heritage Lottery Fund (HLF). This announcement will enable the subsequent application for a further £9million of HLF money to allow the whole project to go ahead. The funding bid will be submitted to the National Lottery before the end of April 2020, with a decision expected by the end of September 2020 when work would start almost immediately.

The project aims to take the canal under the M5 motorway, reinstate the 'missing mile' of canal near Eastington and construct a new bridge to carry the canal under the Gloucester to Bristol railway line at Stonehouse. The canal will be connected to the national waterway network at Saul Junction, making Stonehouse and Stroud canal towns once again. It will also bring significant biodiversity, health and wellbeing, leisure and economic benefits.

15. Market Towns

The Distribution of Market Towns Funding will continue into 2020/21. The budget is anticipated to be fully spent in 2020/21. It will be distributed to the relevant Town Councils when written confirmation is received that they will spend the funds as agreed.

16. MSC Vehicles

An updated vehicle replacement programme has been agreed between the Council and Ubico and is being kept under annual review. Additional vehicles have been purchased during the current financial year to reduce costs over the longer term. The vehicle replacement programme highlights an ongoing need to allocate capital resources to replace and enhance the Multi-Service contract fleet on a rolling basis.

17. Stroud & District 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 underway. Further funding has been secured to continue the resurfacing through to Dudbridge from Woodchester and will be added to the **£40k** from the budget earmarked for this section.

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.

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.

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**.

Further routes to be considered for this plan will be investigated for future project funding.

18. Wallbridge

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, which is proposed to be re-profiled to 2020/21.

Table 4 – Detailed service estimates

		2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2020/21 Original Budget (£'000)
Environment Committee	Para Refs			
Canal Restoration Project		0	0	0
Canal Partnership		6	32	11
Canal		6	32	11
Energy Efficiency		71	135	108
Carbon Management		71	135	108
Footpaths		(2)	0	0
Conservation		60	0	0
Development Control		(241)	130	166
Planning Appeals		71	0	0
Tree Conservation		43	0	0
Planning Enforcement		109	0	0
Development Control		41	130	166
Director (Development Services)		119	78	0
Director (Development Services)		119	78	0
Economic Development		35	35	35
Market Town Projects		0	0	0
Regeneration		56	67	64
Economic Development		91	102	99
Head of Health and Wellbeing		72	72	74
Head of Health and Wellbeing		72	72	74
Health & Wellbeing		126	134	126
Contaminated Land		27	26	30
Dog Warden Service		79	75	83
Environmental Protection		154	152	177
Food Safety		154	153	148
Health and Safety		89	88	81
Land Drainage		39	210	41
Public Health		44	44	35
Pest Control		5	6	6
Port Health		2	2	2
Planning Liaison		(11)	(11)	15
Health & Wellbeing		708	878	746

		2019/20 Original Budget (£'000)	2019/20 Revised Budget (£'000)	2020/21 Original Budget (£'000)
Environment Committee	Para Refs			
Land & Property Custodian		(36)	(27)	10
Street Naming		(15)	(15)	(30)
Land Charges & Street Naming	13	(51)	(42)	(21)
Planning Strategy		309	374	406
Planning Strategy/Local Plan		309	374	406
Planning and Building Control Admin		266	55	0
Building Control		(244)	(129)	(143)
Securing Dangerous Structures		10	15	12
Building Regulation Enforcement / Advice		60	31	31
Statutory Building Control		92	(29)	(101)
Waste & Recycling: Other		20	20	12
Waste & Recycling: Other		20	20	12
MSC: Refuse Collection		1,320	1,348	1,374
MSC: Food Waste		511	546	766
MSC: Recycling		1,433	1,447	1,498
MSC: Bulky Waste		7	7	12
MSC: Garden Waste		29	(41)	(61)
MSC: Street Cleansing		647	640	680
Waste and Recycling: MSC	11/12	3,947	3,947	4,269
Environment TOTAL		5,425	5,696	5,770

(Budgets are shown excluding support service charges, depreciation and technical adjustments. Table is subject to roundings)