

# STROUD DISTRICT COUNCIL

## ENVIRONMENT COMMITTEE

THURSDAY, 7 DECEMBER 2023

<b>Report Title</b>	<b>Environment Committee Revenue Estimates – Revised 2023/24 and Original 2024/25</b>			
<b>Purpose of Report</b>	To present to the committee the revised estimates for 2023/24 and original estimates for 2024/25.			
<b>Decision(s)</b>	<b>The Committee RECOMMENDS to Strategy and Resources Committee that:</b> <b>a) The revised Environment revenue budget for 2023/24 and original 2024/25 revenue budget are approved.</b> <b>b) The Fees and Charges list as shown at Appendix B is approved.</b>			
<b>Consultation and Feedback</b>	Consultation has been undertaken with residents and businesses. Feedback on the outcome of the consultation will be provided to members in January 2024 prior to setting the budget in February 2024.			
<b>Report Author</b>	Adele Rudkin, Accountant Email: <a href="mailto:adele.rudkin@stroud.gov.uk">adele.rudkin@stroud.gov.uk</a>			
<b>Options</b>	To recommend to Strategy and Resources: a) Reduced or increased capital and revenue expenditure b) Increased Fees & Charges for Environment Committee			
<b>Background Papers</b>	None			
<b>Appendices</b>	Appendix A – Environment Committee Revenue Budget Appendix B – Fees and Charges			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

### 1 **Background**

- 1.1 The Budget Strategy report to Strategy and Resources Committee and Council in October 2023 set out the way in which the Council would approach setting budgets for the forthcoming financial year.
- 1.2 Members will be aware from both the 2023/24 budget and MTFP (approved in February 2023) and the Budget Strategy report, the Council is facing a number of financial challenges across the MTFP period. A budget deficit has been forecast due to anticipated reductions in the level of Government funding and inflationary/cost pressures across the Council's services.
- 1.3 The Budget Setting report to Strategy and Resources will set out a projection of General Fund expenditure over the medium term 2023/24 to 2027/28. This report sets out a more detailed analysis of the changes to the Environment Committee budget for 2023/24 (Revised Estimates) and 2024/25 (Original Estimates).

- 1.4 The Committee's service revenue budgets have been prepared in accordance with the budget framework set out in the Budget Strategy report. They are presented in draft format and are subject to further change as the budget setting process progresses. Any subsequent changes will be included in the MTFP report to Strategy and Resources and Council.
- 1.5 **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 original budget for the Environment Committee was £7.260m. This has subsequently been used as the base estimate for both 2023/24 revised and 2024/25 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. The original budget approved in February 2023 has only changed as a result of items reported to the Committee in budget monitoring reports.
- 2.2 The original estimate for Environment Committee budget for 2024/25 is **£7.894m an increase of £518k** on the base budget. This is largely due to the following budget changes, as outlined in table one below.

**Table 1 – Summary of changes from the 2023/24 Original Budget**

<b>Environment Committee</b>	<b>para</b>	<b>2023/24 Revised Estimate (000's)</b>	<b>2024/25 Original Estimate (000's)</b>
Base Budget		7,260	7,376
Virements/adjustments	3.0	109	(109)
<b>Recurring changes:</b>			
Pay increases	3.3	7	136
Fees and charges growth	3.4		(77)
Contract increases	3.5		367
Proposed budget adjustments	4.0		86
New items funded from reserves	4.5		115
<b>Net Service Budget</b>		<b>7,376</b>	<b>7,894</b>

(Table subject to roundings)

## 3 In year virements/adjustments

- 3.1 In year virements include carry forwards from prior year of £109k and a reallocation of budget within Committees.

### 3.2 Inflation

#### 3.3 **Pay Inflation - £143k**

This reflects a change to the 2023/24 budget for the recently agreed pay award from 1 April 2023 of £1,925 or 3.88%, whichever is higher for each employee.

The 2024/25 salary budgets have been increased by an initial 5.6% in line with the budget strategy.

The total increase of £143k is broken down into £7k in 2023/24 representing the pay award being higher than the budgeted 5% increase, and an additional £136k from 2024/25 onwards representing the 5.6% included in the Budget Strategy.

### 3.4 Fees & Charges Growth – (£77k)

Fees and charges budgets have been inflated by 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.

### 3.5 Contract Increases - £367k

A 6% increase directly attributable to the Ubico (Multi Service Contract) for this Committee. The overall change in budget on the contract is £666k. (Table 2). This figure includes additional general costs associated with the Contract. This is an overall change and incorporates increases that fall within other Committees (building cleaning & grounds maintenance). The asset charge identified in table 2 is a net nil cost to the project as this amount is invoiced back to Ubico with the income recognised in Strategy & Resources Committee.

**Table 2- Changes to Ubico Budget**

<b>UBICO</b>	<b>(£000's)</b>
<b>2023/24 Budget</b>	<b>7,776</b>
Employment costs (£1925 (23-24) & 5% (24-25))	456
Fuel (HVO & Diesel)	10
Premises (incl Gas & Electric)	86
General	28
Vehicle Repairs	31
Vehicle Hire	120
Asset Charge (net nil impact on overall contract)	(108)
Corporate Support	43
<b>2024/25 Budget</b>	<b>8,442</b>

#### 4 **Proposed Budget Adjustments (Budget Pressures/Savings)**

Table 3 below represents the major changes to the budgets for this Committee. A detailed explanation is outlined in paragraphs below.

**Table 3 - Budget Pressures/Savings**

<b>SERVICE</b>	<b>Para</b>	<b>PRESSURES</b>	<b>2024/25 (£'000)</b>
Recycling	4.1	Reduced recycling income , market driven. (Suez & Palm)	206
UBICO Contract	4.2	Additional costs (excludes inflation)	190
		<b>SAVINGS</b>	<b>2024/25 (£'000)</b>
Garden Waste	4.3	Increase in Green Waste Subscribers	(157)
Other	4.4	General savings (below £20k threshold)	(61)
		<b>Total Environment Committee</b>	<b>178</b>

#### **Pressures**

##### 4.1 **Re-cycling**

Current Recycling markets are depressed and haven't shown too much movement in 2023, this has had a negative impact on the expected revenue from the sale of recyclates. Prices for paper and cardboard have been impacted the most and revenue is now expected to fall in the future. This had previously been identified in the MTFP for 2024/25 as an ongoing pressure.

##### 4.2 **Ubico Contract**

The additional cost includes the asset charge (capital & depreciation) identified in table 2 which is a net nil cost to the Council as this amount is invoiced back to Ubico, with the income recognised in Strategy & Resources Committee. The key areas of increase are identified as employment costs (which incorporates the £1,925 pay award for 2023/24 and a 5% uplift for 2024/25), vehicle hire & repairs, and Premises & Insurance. . There is also an increase in the cost of fuel of £96k due to the decision made by Council in April 2023 to use Hydrotreated Vegetable Oil (HV) fuel as an alternative to diesel. This has been partially offset by a reduction in the cost of diesel. This pressure is attributable to those services directly relating to the Environment Committee.

#### **Savings**

##### 4.3 **Garden Waste Service**

The Garden Waste scheme continues to grow with currently over 16,000 subscribers. This year-on-year growth means that income is expected to exceed budgetary expectations by (£157k) in 2024-25.

##### 4.4 **Other**

Net miscellaneous savings/pressures under £20k threshold.

## **NEW ITEMS FUNDED FROM RESERVES**

### **4.5 Planning Strategy**

Remaining Levelling up reserve budget allocated to 'LUF' for further lift design work at Stroud station and other fees to support the regeneration project, and reserve transfer for Tourism Officer until June 2024.

## **5 CAPITAL PROGRAMME**

5.1 Table four below outlines the capital schemes that the Committee is responsible for. Council will consider the Capital Programme and the Capital Strategy at their meeting in February 2024.

**Table 4 – Capital schemes 2023/24 and 2024/25**

	<b>2023/24 Original Budget (£'000)</b>	<b>2023/24 Revised Budget (£'000)</b>	<b>2024/25 Original Budget (£'000)</b>
<b>Environment Capital Schemes</b>			
Canal	4,030	4,656	2,366
Community Infrastructure Levy Grants	195	195	1,209
Multi-Service Contract Vehicles	3,620	1,072	4,023
Rural SuDS Project	30	102	60
Stroud District Walking & Cycling Plan	515	362	469
<b>Environment Capital Schemes TOTAL</b>	<b>8,428</b>	<b>6,648</b>	<b>8,127</b>

### **5.2 Canal**

The scope of works for the 2024/25 financial year has been revised to allow ongoing fundraising for major projects; passing the canal under the M5 motorway and replacing Walk Bridge on Whitminster Lane. The Biodiversity and Community Engagement projects will continue unabated as their funding has been fully secured to completion. Major capital works being undertaken during the period include construction of Bristol Road Lock which is required before excavation of the Missing Mile channel can start, Oldbury Aqueduct, Dock Lock restoration, Bonds Mill Embankment and Bridge, permanent access from the A419 at Hydes Basin, site compounds and temporary access works on Ecotricity land and the pounds between Oldbury Aqueduct and Pike Lock. There will also be ongoing design works including the lock gates tender and finalising the M5 crossing.

### **5.3 CIL**

The Community Infrastructure Levy (CIL) is collected from eligible developments, to be allocated on infrastructure projects by Environment Committee. Part of the CIL funding is transferred to the relevant town or parish council. This spend has not been budgeted, but is fully funded from the CIL receipts and so does not impact on the financial position of the council. This budget is based on the amount reflected in the CIL Spending Allocations report being presented to this Committee tonight. Any changes to this requested amount will be reported through to Strategy and Resources Committee.

### **5.4 Multi Service Contract Vehicles**

Ubico fleet replacement is mapped on a 5 year rolling capital programme. In 2023/24 the revised capital budget of £4.572m was earmarked for fleet replacement, but as reported in Q2 budget monitoring paper a significant proportion of this investment was delayed. It is proposed that slippage from 2023/24 of (£3.5m) will be carried forward to 2024/25 bringing

the total capital budget to £4.023m. Inflationary pressure on vehicles continues unabated, further exacerbated by the mandating of enhanced safety features as standard, from 1<sup>st</sup> July 2024.

#### **5.5 Rural Suds**

This funding will be used to implement Natural Flood Management projects in the From Catchment working with landowners, land agents and agricultural contractors to enable small changes to be made to the natural environment with the aim of reducing the likelihood of flooding downstream.

#### **5.6 Stroud & District Walking & Cycling Plan**

Following several successful funding bids for local walking and cycling projects throughout the district, as well as investment towards larger strategic projects, the Council continues to engage with stakeholders on all levels to find opportunities to remove barriers to walking and cycling. Another event aimed at promoting the walking and cycling fund to local parishes and community groups is planned for Spring 2024, this time with the assistance of the Gloucestershire Rural Community Council who have also been tasked with promoting the fund to Parish and Town councils as part of their Service Level Agreement. A new round of CIL bids for cycling and walking projects is also being considered, with a view to contribute match funding from the cycling and walking budget.

### **4. IMPLICATIONS**

#### **4.1 Financial Implications**

This report sets out the revised budget for 2023/24 and draft original budget for 2024/25 relating to this Committee. This will form part of the budget setting process to be considered by Strategy and Resources Committee and Council in February 2024.

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#### **4.2 Legal Implications**

These estimates form the basis of a draft budget proposal and the final budget will be subject to the budget and policy framework rules set out in the council's constitution and consideration of consultation responses received by the Council

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#### **4.3 Equality Implications**

There are not any specific changes to service delivery proposed within this decision.

#### **4.4 Environmental Implications**

There are no significant implications within this category.