

# STROUD DISTRICT COUNCIL

## ENVIRONMENT COMMITTEE

9 DECEMBER 2021

<b>Report Title</b>	<b>ENVIRONMENT COMMITTEE REVENUE ESTIMATES – REVISED 2021/22 AND ORIGINAL 2022/23</b>			
<b>Purpose of Report</b>	To present to the committee the revised estimates for 2021/22 and original estimates for 2022/23.			
<b>Decision(s)</b>	<b>This Committee RECOMMENDS to the Strategy and Resources Committee:</b>  a) That the revised Environment Committee revenue budget for 2021/22 and original 2022/23 revenue budget are approved.  b) That the Fees and Charges list as shown at Appendix B is approved.  c) The inclusion of £176k within the Ubico contract for new waste and recycling rounds, and an additional £52K for the provision of a new street cleaning crew.  d) An addition to the 2022/23 Capital budget of £106k, funded through additional budgeted income, to meet the extra cost of replacing 3 diesel powered vehicles with electric equivalents (in line with Council Plan objective 6.3).			
<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 2022.			
<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>	The Administration will be considering its budget options at the Strategy and Resources Committee meeting on 27 January 2022. Council will consider the overall budget position for 2022/23 on 17 February 2022.			
<b>Background Papers</b>	None			
<b>Appendices</b>	Appendix A – Committees detailed budgets Appendix B – Schedule of 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 in October 2021 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 2021/22 budget and MTFP (approved in January 2021) and the Budget Strategy reports, the Council is facing a number of financial challenges in 2022/23 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.
- 1.3 The Medium Term Financial Plan (MTFP) report to Strategy and Resources will set out a projection of General Fund expenditure over the medium term 2022/23 to 2025/26. This report sets out a more detailed analysis of the changes to the Environment Committee budget for 2021/22 (Revised Estimates) and 2022/23 (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 **£6.172m**. The revised budget in 2021/22 has been updated with the following adjustments to reflect carry forwards and re-profiling of service budgets.
- 2.2 This has subsequently been used as the base estimate for both 2021/22 revised and 2022/23 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. The original budget approved in February 2021 has only changed as a result of items reported to the Committee in budget monitoring reports.
- 2.3 The original estimate for Environment Committee budget for 2022/23 is **£6.685m an increase of £768k** 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 2021/22 Original Budget**

<b>Environment Committee</b>	<b>para</b>	<b>2021/22 Revised Estimate (000's)</b>	<b>2022/23 Original Estimate (000's)</b>
Base Budget		6,172	5,917
Virements/adjustments	3.1	(255)	225
<b>Recurring changes:</b>			
Pay increases	3.3		141
Fees and charges growth	3.4		(23)
Contract increases	3.5		163
Proposed budget adjustments	4		261
<b>Net Service Budget</b>		<b>5,917</b>	<b>6,685</b>
Transfers to/from reserves		(235)	(253)
<b>Net Service Budget (after Reserve Funding)</b>		<b>5,682</b>	<b>6,431</b>

(Table subject to roundings)

### **3 In year virements/adjustments**

3.1 In year virements include carry forwards from prior year. There has also been an adjustment to the revenue element of the canal project budget in both 2021/22 and 2022/23. This budget is fully funded within the Cotswold Canal Connected Phase 1B Delivery programme and so does not affect the overall position of the General Fund. Further detail on the canal project is included in paragraph 5.3.

### **3.2 Inflation**

#### **3.3 Pay Inflation - £141k**

The 2022/23 salary budgets have been increased by an initial 2.5% in line with budget strategy.

#### **3.4 Fees & Charges Growth – (£23k)**

Fees and charges budgets have been inflated by 3% 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 - £163k**

A 3% increase directly attributable to the Ubico (Multi Service Contract) for this Committee. The overall change in budget on the contract is £542k. (Table 2). This figure includes four new rounds as stated in item C of the decision box, and additional general costs associated with the Contract. This is an overall change and does incorporate increases that fall within other Committees (building cleaning & grounds maintenance).

**Table 2- Changes to Ubico Budget**

<b>UBICO</b>	<b>(£000's)</b>
<b>2021/22 Budget</b>	<b>6,379</b>
New rounds	228
Mkt Supplement	74
Pay inflation	173
General Vehicle costs	68
Premises Insurance	(25)
Corporate Support	24
<b>2022/23 Budget</b>	<b>6,921</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 (4.1- 4.8)

**Table 3 - Budget Pressures/Savings**

<b>SERVICE</b>	<b>Para</b>	<b>REASON FOR PRESSURE</b>	<b>2022/23 (£'000)</b>
Climate Change	4.1	Additional post for 6 months	32
Multi Service Contract	4.2	Additional budget for receptacles (growth) and Clinical Sharps	82
Ubico	4.3	Growth (Environment Committee) excludes inflation	386
Development Control	4.4	Increased Staffing hours	25
Various	4.5	Minor adjustments over all services	5
<b>SERVICE</b>	<b>Para</b>	<b>REASON FOR SAVING</b>	<b>2022/23 (£'000)</b>
Development Control	4.6	Supplementary Income expected	(74)
Multi Service Contract	4.7	Garden Waste Income (increased client base)	(79)
Multi Service Contract	4.7	Bulkies Income	(10)
Multi Service Contract	4.7	Additional Recycling income	(106)
<b>Total Environment Committee</b>			<b>261</b>

### **Pressures**

#### 4.1 **Climate Change**

This pressure relates to two posts, Community Action and Environmental Performance Officers for an additional six months. These posts will be funded from the Climate Change Reserve.

#### 4.2 **Multi Service Contract**

A pressure has been raised on Food Waste, Refuse and Recycling. This is primarily around the ageing receptacles which were purchased when the Ubico Contract was first in place. District expansion and additional rounds needed is also putting additional pressure on the budget. A budget pressure has also been put forward on Clinical Sharps Waste. This involves a collection from pharmacies who have a sharps take back scheme. We are obliged to deal with sharps. The NHS used to help fund this, but the cost has now passed to the Council as they realised they were funding collection and disposal, which they are not obligated to do.

### 4.3 **Ubico Contract**

Primarily this pressure is directly attributable to introducing additional rounds across the district and does create a substantial cost burden, but is essential to ensure an efficient and safe service delivery. A great deal of work has been undertaken to factor in new rounds across different waste streams whilst considering the capital replacement programme and growth across the district. The new rounds are due to be introduced in 2022/23, this has increased staff and associated costs by £228k. In addition due to a national shortage of HGV drivers, Ubico and SDC have acted to retain and recruit drivers, by increasing pay rates, via a market supplement which will equate to £74k. Vehicle related costs have also increased due to a larger fleet and expansion of district rounds. This pressure is attributable to those services directly relating to the Environment Committee.

### 4.4 **Development Control**

The additional £25K for salaries is requested to cover two now existing fulltime posts within the service. The Development Team Manager and the Assistant Biodiversity Officer, which were originally 30 hrs and 18.5 hrs respectively, were both increased to 37hrs in 2020 to meet the needs of the service. The extra funds are requested to formally recognise these as fulltime posts in the service establishment.

### 4.5 **Various**

There are a number of minor adjustments across all services that contribute towards this figure and are generally below the reporting threshold (+/- £20k).

## **Savings**

### 4.6 **Development Control**

Application fee income to date in 2021/22 has been healthier than the previous year. This trend and the increasing importance of the emerging local plan (which has its examination in spring 2022) in the development management process is likely to generate an increase in applications received, including larger proposed allocations. The projected increase in income for 2022/23 seeks to acknowledge this.

### 4.7 **Multi Service Contract**

Revenue expectations on both garden waste collections and bulkies have been increased to reflect growth. The new garden waste round being introduced in 2022/23 will ensure that this demand can be met. Additional income has been identified in recycling due to a more buoyant than expected paper recycling market and improved rates on residual waste. The current market is volatile but it is prudent to recognize this potential additional income in 2022/23.

## **5 CAPITAL PROGRAMME**

5.1 Table three 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 January 2022.

5.2 **Item d in the decision box** proposes that this Committee recommends to Strategy & Resources that £106k is made available to fund the additional cost of replacing 3 diesel powered vehicles with electric equivalents. The vehicles are included in the existing fleet replacement programme and the £106k represents the additional cost of moving to electric power. This can be funded by increases to the income budget for recycling credits and paper recycling income. It is therefore recommended that the Environment committee request that

Strategy and Resource Committee approve an increase to the capital budget for this vehicle cost.

**Table 5 – Capital schemes 2021/22 and 2022/23**

<b>Capital Schemes</b>	<b>2021/22 Original Budget (£'000)</b>	<b>2021/22 Revised Budget (£'000)</b>	<b>2022/23 Original Budget (£'000)</b>
Canal	6,631	4,814	7,259
Market Town Centres Initiative Fund	50	40	0
Multi-Service Contract Vehicles	859	1,513	466
Rural SuDS Project	30	30	30
Stratford Park Acquisition of Machinery	0	14	0
Stroud District Cycling & Walking Plan	200	404	0
Wallbridge-Gateway	100	0	100
<b>Environment Capital Schemes TOTAL</b>	<b>7,870</b>	<b>6,815</b>	<b>7,855</b>

### 5.3 Canal

Phase 1B of the Cotswold Canals Connected project is now in the delivery stage, and the capital and revenue budgets have been reprofiled across financial years to reflect the current estimated programme of works. It has been identified that the cost of the project may have increased and the project is currently being fully reviewed. Once the position has been established a paper will be presented to members setting out the overall position along with potential funding options. The Councils commitment to the project remains at a total of £3m plus an additional £161k that was approved for the Interregnum period in 2021/22.

### 5.4 Market Towns 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 was sought as to how would spend the funds for agreement. Some responses were received after the relevant financial year, resulting in a variance against the profiled budget, this has been taken into account in 2021/22 with the remaining budget due to be spent in 2021/22.

### 5.5 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 fleet additions in 2021/22 for a Garden Waste RCV and upgrade to an Electric Street Sweeper. The 2022/23 budget reflects additional cost of replacing 3 diesel powered vehicles with electric equivalents (**Item d in the decision box**) and an increase in fleet prices over the last 12 months as suppliers increase costs to offset material price inflation. The In-Cab technology system is currently being procured by Ubico, this will be a connected working system available to all the shareholders, and is scheduled for 2022/23. The change to budget will be requested to Strategy & Resources in January 2022 and full Council in February 2022.

### 5.6 Stratford Park Acquisition of Machinery

This amount was allocated as part of the overall Capital project of 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 of £95k. The £14k is earmarked for site enhancements and options are currently being reviewed. It is anticipated to be fully utilised on 2021/22.

## **5.7 Stroud & District Walking Plan**

Progress is being made on delivering improvements to the cycling and walking network, working with Gloucestershire County Council and local groups. Despite some large allocations a significant underspend is currently forecast for 2021/22 due to delays to projects caused by the Covid 19 pandemic and changes to national design guidance on cycling and walking. Future expenditure is expected to be aligned with Local Cycling and Walking Plans (LCWP) which are currently in production. A Cycling and Walking Task & Finish Group has been set up to consider ways of focussing future investment on priority projects and how to unblock constraints and accelerate delivery. Any budget that remains unspent in 2021/22 will be carried forward to 2022/23. The final meeting is due to take place in January 2022, after which the findings and recommendations will be presented to Environment Committee.

## **5.8 Wallbridge – Gateway**

This site and surrounding area is being considered as part of the Levelling Up Fund bid as a gateway site into Stroud town and the design brief is also being updated and further developed by consultants as part of the Canal Strategy. Works are therefore likely to start in 2022/23.

## **6. IMPLICATIONS**

### **6.1 Financial Implications**

This report sets out the draft budget relating to the Committee for 2022/23. This will form part of the budget setting process to be considered by Strategy and Resources Committee in January 2022 and Council in February 2022.

Lucy Clothier, Accountancy Manager

Tel: 01543 754343 Email: [lucy.clothier@stroud.gov.uk](mailto:lucy.clothier@stroud.gov.uk)

### **6.2 Legal Implications**

None directly arising from this report other than to note that this report forms part of the budget setting process for 2022/23 which involves the Council calculating capital and revenue estimates for its General Fund.

One Legal Tel: 01684 272691 Email: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### **6.3 Equality Implications**

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

### **6.5 Environmental Implications**

There are no significant implications within this category.