

# STROUD DISTRICT COUNCIL

## ENVIRONMENT COMMITTEE

THURSDAY, 8 DECEMBER 2022

<b>Report Title</b>	<b>ENVIRONMENT COMMITTEE REVENUE ESTIMATES – REVISED 2022/23 AND ORIGINAL 2023/24</b>			
<b>Purpose of Report</b>	To present to the committee the revised estimates for 2022/23 and original estimates for 2023/24.			
<b>Decision(s)</b>	<b>The Committee RECOMMENDS to Strategy and Resources Committee that:</b>  a) <b>The revised Environment revenue budget for 2022/23 and original 2023/24 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 2023 prior to setting the budget in February 2023.			
<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 – 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 Medium Term Financial Plan (MTFP) Update report to Strategy and Resources Committee in September 2022 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 2022/23 budget and MTFP (approved in February 2022) and the MTFP Update reports, the Council is facing a number of financial challenges in 2023/24 and future years. 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 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 2022/23 (Revised Estimates) and 2023/24 (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 £6.465m. This has subsequently been used as the base estimate for both 2022/23 revised and 2023/24 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. The original budget approved in February 2022 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 2023/24 is **£7.241m an increase of £499k** 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 2022/23 Original Budget**

<b>Environment Committee</b>	<b>para</b>	<b>2022/23 Revised Estimate (000's)</b>	<b>2023/24 Original Estimate (000's)</b>
Base Budget		6,465	6,742
Virements/adjustments	3.1	207	(159)
<b>Recurring changes:</b>			
Pay increases	3.3	71	109
Fees and charges growth	3.4		(30)
Contract increases	3.5		606
Proposed budget adjustments	4		(28)
<b>Net Service Budget</b>		<b>6,742</b>	<b>7,241</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 2022/23 and 2023/24. This budget is fully funded within the Cotswold Canal Connected Phase 1B Delivery programme and so does not affect the revenue position of the General Fund. Further detail on the canal project is included in paragraph 5.2.
- 3.2 **Inflation**
- 3.3 **Pay Inflation - £180k**  
This reflects the recently agreed 2022/23 pay award (£1,925) which is funded from reserves in 2022/23, as set aside by Strategy & Resources Committee, but will need to be funded going forward.

The 2023/24 salary budgets have been increased by an initial 5% in line with budget strategy.

#### 3.4 Fees & Charges Growth – (£30k)

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 - £606k

A 9.9% increase directly attributable to the Ubico (Multi Service Contract) for this Committee. The overall change in budget on the contract is £877k. (Table 2). This figure includes and additional general costs associated with the Contract. This is an overall change and incorporate 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>2022/23 Budget</b>	<b>6,922</b>
Employment costs (£1925 (22-23) & 5% (23-24))	508
Diesel	169
Premises (incl Gas & Electric)	57
General	18
Vehicle Repairs	11
Vehicle Hire	(27)
Asset Charge	99
Corporate Support	42
<b>2023/24 Budget</b>	<b>7,799</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>2023/24 (£'000)</b>
Neighbourhood Planning	4.1	Neighbourhood Planning Officer (1 year)	20
Multi Service Contract	4.2	Additional budget for receptacles (growth & cost of containers)	78
UBICO MSC Contract	4.3	Additional Contract Costs (excludes inflation)	182
		<b>SAVINGS</b>	
Planning	4.4	CIL	(50)
MSC Contract	4.5	Additional Recycling income	(195)
Building Control	4.6	Savings achieved	(39)
Various	4.7	Minor adjustments over all services	(24)
		<b>Total Environment Committee</b>	<b>(28)</b>

#### **Pressures**

##### 4.1 **Neighbourhood Planning**

The District Council's role in supporting parish councils to produce NDPs is a statutory requirement, in order to continue to support NDPs (a Council Plan priority) for future years, funding needs to be made available to support the role of the officer. The current £20k grant for each NDP only covers the examination, referendum and publicity costs. As a result, the initial rolling reserve budget established in 2013 has declined over time it is strongly recommended that a budget is established for core funding the NDP officer on an ongoing basis from 2023/24 as Government funding is no longer sufficient to cover salary.

##### 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.

##### 4.3 **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 2022/23 and

a 5% uplift for 2023/24), fuel costs and Premises & Insurance. This pressure is attributable to those services directly relating to the Environment Committee.

## **Savings**

### **4.4 Planning Strategy – CIL**

Application fee income to date in 2022/23 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 2023/24 seeks to acknowledge this.

### **4.5 Multi Service Contract**

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 2023/24.

### **4.6 Building Control**

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 that have now been offered up as savings as part of the budget setting process which will reduce overheads going forward, however income targets have also been reduced in line with the forecast with potential income streams in 2023-24.

### **4.7 Various**

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

## **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 2023.

**Table 4 – Capital schemes 2022/23 and 2023/24**

	<b>2022/23 Original Budget (£'000)</b>	<b>2022/23 Revised Budget (£'000)</b>	<b>2023/24 Original Budget (£'000)</b>
<b>Environment Capital Schemes</b>			
Canal	7,259	2,532	4,030
Multi-Service Contract Vehicles	466	1,232	3,620
Rural SuDS Project	30	70	30
Stroud District Walking & Cycling Plan	0	130	265
Wallbridge-Gateway	100	27	74
<b>Environment Capital Schemes TOTAL</b>	<b>7,855</b>	<b>3,990</b>	<b>8,018</b>

### **5.2 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. The total cost of the project has increased by an estimated £10.2m, with a revised budget and capital financing of the project approved by Strategy and

Resources in November 2022. The Councils commitment to the project has now increased by £1m, to a total of £3m plus an additional £161k that was approved for the Interregnum period in 2021/22. The remainder of the funding is expected from external sources. 2023/24 will see major works started in Section 2 (the missing mile between the A38 and Westfield Lock) and further works in Section 3 (Westfield Lock to the already completed Ocean Jubilee Bridge), along with ongoing community engagement and biodiversity works.

### **5.3 Multi Service Contract Vehicles**

Ubico fleet replacement is mapped on a 5 year rolling capital programme. In 2023/24 a substantial proportion of the fleet is due for replacement. Inflationary pressures, post covid, have increased the budget requirements for this, from £2.96m to £3.62m. As is the case with all vehicle replacement, opportunities to rationalise are being investigated. However, overall fleet numbers are likely to continue to increase as a direct correlation to property numbers.

### **5.5 Stroud & District Walking & 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.

### **5.8 Wallbridge – Gateway**

£27k spend on 2022/23 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.

## **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.

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### **6.2 Legal Implications**

There are no specific legal implications arising from this report recommendation

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### **6.3 Equality Implications**

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

### **6.4 Environmental Implications**

There are no significant implications within this category.