

STROUD DISTRICT COUNCIL
ENVIRONMENT COMMITTEE

**AGENDA
ITEM NO**

3 DECEMBER 2020

9

Report Title	REVENUE ESTIMATES – REVISED 2020/21 AND ORIGINAL 2021/22			
Purpose of Report	To present to the committee the revised estimates for 2020/21 and original estimates for 2021/22.			
Decision(s)	<p>The Committee RECOMMENDS to Strategy and Resources Committee:</p> <p>a) The revised Environment Committee revenue budget for 2020/21 and original 2021/22 revenue budget are approved;</p> <p>b) The Fees and Charges list as shown at Appendix B is approved, and</p> <p>c) Recommend to the Strategy and Resources Committee the use of £80k from the Waste and Recycling Reserve for the purchase of in-cab technology.</p>			
Consultation and Feedback	Consultation has been undertaken with residents and businesses. Feedback on the outcome of the consultation will be provided to members in January 2021.			
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 28 January 2021. Council will consider the overall budget position for 2021/22 on 25 February 2021.			
Background Papers	None			
Appendices	Appendix A – Committees detailed Budgets Appendix B – Schedule of Fees and Charges			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1 Background

- 1.1 The Budget Strategy report to Strategy and Resources Committee in October 2020 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 2020/21 budget and MTFP (approved in January 2020) and the Budget Strategy reports, the Council is facing a number of financial challenges in 2021/22 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 2021/22 to 2024/25. This report

sets out a more detailed analysis of the changes to the Environment Committee budget for 2020/21 (Revised Estimates) and 2021/22 (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 **£5.937m**. The revised budget in 2020/21 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 2020/21 revised and 2021/22 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. The original budget approved in February 2020 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 2021/22 is **£6.303m an increase of £366k** 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 2020/21 Original Budget

Environment Committee	para	2020/21 Revised Estimate (000's)	2021/22 Original Estimate (000's)
Base Budget		5,937	6,113
Virements/adjustments	3.3	176	171
Recurring changes:			
Pay increases	3.3		101
Fees and charges growth	3.4		(14)
Contract increases	3.5		80
Technical Adjustment	3.5		126
Proposed budget adjustments	4		(274)
Net Service Budget		6,113	6,303

(Table subject to roundings)

3 In year virements/adjustments

3.1 In year virements include carry forwards from prior year

3.2 Inflation

3.3 Pay Inflation - £101k

The 2021/22 salary budgets have been increased by an initial 2.75% in line with budget strategy.

3.4 Fees & Charges Growth – (£14k)

Fees and charges budgets have been inflated by 2% 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 - £80k

This increase is directly attributable to Ubico (Multi Service Contract).

The overall increase on the Ubico contract is £321k. (Table 2). This does take into account taking on the Stratford Park Contract of £149k (No budgetary impact for SDC as the budget was already in place). An increased asset charge of £126k has also been calculated around the provision of new vehicles, but this is recharged through a technical adjustment within the terms of the contract agreement and is included in the budget as Minimum Revenue Provision (MRP) and reported to Strategy and resources Committee. Savings have also been identified across the contract, which include training and fuel costs. For the purposes of this Committee the total impact of the budget has been reflected in the table below which will include an additional cost to the HRA of £13.7k.

Table 2 - Ubico

UBICO	(£'000)
2020/21 Budget	6,096
Contract Inflation	80
Net Savings	(34)
Technical Adjustments	126
Stratford Park	149
2021/22 Budget	6,417

4 Budget Savings

Table 3 - Budget Savings

SERVICE	Para	REASON FOR SAVING	2021/22 (£'000)
Building Control	4.1	Removal of vacant post from structure	(50)
Multi Service Contract	4.2	Ubico Contract savings	(73)
Canal	4.3	Removal of one off budget	(161)
		Total Environment Savings	(284)

4.1 Building Control

A saving has been identified within Building Control. The fee earning element of the budget is required to achieve as near to break even as possible each year. Over the past two years the surplus held in reserves has been reduced in part as the result of setting a deficit budget. The aim of the 2021/22 budget setting process is to set a break even budget considering all costs associated with the service. To help achieve this, a long term vacant Area Building Control

Surveyor post has been removed from the establishment, which has reduced the budgeted deficit significantly. The aim remains to achieve a break even position over the next three to five years.

4.2 **Ubico Contract**

Contract savings of (£73k) have been identified in the Ubico contract across the general fund. It should be noted that this includes a relocation of Ubico support charges due to the increase in contract (addition of Stratford Park grounds maintenance) and the overall net savings are those identified in paragraph 3.5 and Table 2.

4.3 **Canal**

A one-off additional budget of £161k was included in the revenue budget in 2020/21 to cover the salaries of the Canal Team for the period after the end of the development stage, pending the outcome of the National Lottery Heritage Fund bid. As this bid has been successful, the one off budget can be removed as planned. Any further revenue costs associated with the Cotswold Canal Connected Project (Phase 1B) will be funded from the project budget and so no additional funding should be required over that already approved.

5 **Budget Pressures- Covid-19**

5.1 As reported in the Budget Strategy reported to Council on 8 October 2020, the financial impact of the Covid-19 pandemic is expected to continue into 2021/22. As this impact cannot yet be quantified, an overall allowance for all service areas be included centrally, within the Strategy and Resources Committee budget.

5.2 An estimate of the impact on the Environment Committee service areas is included below. This is an estimate based on current assumptions and is likely to vary as the position changes. Further updates of the financial impact of Covid-19 will continue to be reported to committees.

Table 4 – Covid-19 Pressures

SERVICE	Para	REASON FOR SAVINGS/PRESSURE	2021/22 (£'000)
Planning	5.3	Revised income forecasts due to Pandemic	286
Pest Control	5.4	Revised income forecasts due to Pandemic	14
Building Control	5.5	Revised income forecasts due to Pandemic	48
Waste & Recycling	5.6	Covid-19 Additional Expenditure forecast	60
Total COVID Pressures			408

5.3 **Planning - £286k – Covid-19 loss of income**

It is anticipated that the impact of Covid 19 to the development management income will extend into 2021/22 because of the economic uncertainty the virus has created. We are once again taking a pre-cautionary approach to the likely impact.

5.4 **Pest Control - £14k pressure – Covid-19 loss of income**

The potential loss of income is due to a possible reduction in pest control visits to both commercial and domestic premises. Less treatments can be completed in a day due to extra precautions that have to be undertaken to ensure the work can be undertaken in a Covid-secure manner.

5.5 Building Control – £48k pressure – Covid-19 loss of income

A £48k pressure has been identified for 2021/22. It has been assumed that the construction sector will not return to pre Covid levels for at least six months, estimating a monthly shortfall of £48k for next Financial year.

5.6 Ubico Contract - £60k pressure - COVID-19 additional costs

An allowance has been included to recognise the expected ongoing additional cost of waste and recycling collection and cleaning costs due to Covid-19.

6 CAPITAL PROGRAMME

6.1 Table three below outlines the capital schemes that the Committee is responsible for. These changes have been reflected in the table below but at this stage, no further changes have been incorporated into the Capital Programme. Council will consider the Capital Programme and the Capital Strategy at their meeting in January 2020.

6.2 Item C in the decision box proposes that this Committee recommends to Strategy & Resources that £80k is made available for the purchase of in-cab technology for the Waste & Recycling vehicles. The underspend on the Ubico contract in 2019/20 means there is an unallocated balance of £80k in the Waste and Recycling Reserve. If this Committee approves an allocation of CIL funding towards in cab technology in the waste and recycling fleet, then this reserve can serve as the match funding. It is therefore recommended that the Environment committee request that Strategy and Resource Committee make the reserve available for this purpose. The purchase of in-cab technology could then be considered by full Council for inclusion in the Capital Programme, subject to a full business case, in-line with the Council's Capital Strategy.

Table 5 – Capital schemes 2020/21 and 2021/22

		2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2021/22 Original Budget (£'000)
Environment Capital Schemes	Para Refs			
Canal	6.3	3,317	3,702	6,631
Market Town Centres Initiative Fund	6.4	50	100	50
Multi-Service Contract Vehicles	6.5	712	1,132	413
Stratford Park Acquisition of Machinery	6.6	0	95	0
Stroud District Cycling & Walking Plan	6.7	200	204	0
Wallbridge-Gateway	6.8	100	0	100
Environment Capital Schemes TOTAL		4,379	5,233	7,194

6.3 Canal

Following the successful bid for National Lottery Heritage Funding, the Cotswold Canal Connection Project (Phase 1B) is now underway. Although works are currently being undertaken at risk pending the permission to start approval, the capital budget has been profiled in line with the approved bid and funding.

6.4 Market Towns Initiative fund

The Distribution of Market Towns Funding was agreed at the January 2019 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. £50k of the budget is therefore proposed to be re-profiled to 2021/22.

6.5 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 budget re-profiled from future years. Overall the Capital programme is still in line with overall budget. The 2021/22 budget is in line with the overall programme.

6.6 Stratford Park

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 due to be fully spent in 2020/21 to allow the mobilisation of the contract on 01 December 2020.

6.7 Stroud & District Walking Plan

Work on the Nailsworth to Dudbridge cycle way has been completed. Steady progress is being made at Nailsworth-Dudbridge and Cam-Dursley, any major expenditure related to Wotton-Charfield and Stroud-Chalford schemes are likely to be pushed into subsequent years. As we move towards year-end, a more realistic view will be taken to identify any slippage going forward to 2021/22.

6.8 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, the budget is therefore proposed to be re-profiled to 2021/22.

7 IMPLICATIONS

7.1 Financial Implications

This report sets out the draft budget relating to the Committee for 2021/22. This will form part of the budget setting process to be considered by Strategy and Resources Committee in January 2021 and Council in February 2021.

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7.2 Legal Implications

None directly arising from this report other than to note that this report forms part of the budget setting process for 2021/22 which involves the Council calculating capital and revenue estimates for its General Fund.

One Legal
Tel: 01684 272691 Email: legal.services@tewksbury.gov.uk

7.3 Equality Implications

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

7.4 Environmental Implications

There are no significant implications within this category.

	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2021/22 Original Budget (£'000)
Environment Committee			
Canal Partnership	164	164	379
Canal	164	164	379
Energy Efficiency	109	109	111
Carbon Management	109	109	111
Development Control	184	184	225
Development Control	184	184	225
Economic Development Regeneration	35 64	35 64	35 64
Economic Development	99	99	99
Contaminated Land	30	30	30
Dog Warden Service	84	84	97
Environmental Protection	180	180	185
Food Safety	150	150	154
Head of Health and Wellbeing	75	75	77
Health & Wellbeing	128	135	115
Health and Safety	82	82	84
Land Drainage	42	210	43
Pest Control	7	7	7
Planning Liaison	15	15	15
Port Health	2	2	2
Public Health	36	36	37
Health & Wellbeing	831	1,007	844
Land & Property Custodian	11	11	13
Street Naming	(30)	(30)	(30)
Land Charges & Street Naming	(19)	(19)	(17)
Planning Strategy	410	410	418
Planning Strategy/Local Plan	410	410	418
Building Control	(137)	(137)	(165)
Building Regulation Enforcement / Advice	32	32	27
Securing Dangerous Structures	12	12	11
Statutory Building Control	(93)	(93)	(128)
Waste & Recycling: Other	12	12	12
Waste & Recycling: Other	12	12	12
MSC: Bulky Waste	12	12	11
MSC: Food Waste	747	747	754
MSC: Garden Waste	(93)	(93)	(91)
MSC: Recycling	1,508	1,508	1,508
MSC: Refuse Collection	1,380	1,380	1,466
MSC: Street Cleansing	687	687	714
Waste and Recycling: MSC	4,241	4,241	4,361
Environment TOTAL	5,937	6,113	6,303

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