

Report Title	ENVIRONMENT COMMITTEE REVENUE ESTIMATES – REVISED 2016/17 AND ORIGINAL 2017/18
Purpose of Report	To present to the committee the revised estimates for 2016/17 and original estimates for 2017/18
Decision(s)	The Committee RECOMMENDS to Strategy and Resources Committee: a) the estimates set out in the report be approved b) Budget proposals as set out in paragraph 12 of the report be considered.
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	The estimates have been incorporated into the Council's Medium Term Financial Plan (MTFP) which is being presented to Strategy and Resources committee in January 2017. David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk
Legal Implications	This report sets out the revised 2016/17 budget and the estimates for the budget required in 2017/18 necessary to meet the council's statutory duty to establish the council tax requirement for 2017/18. There no other direct legal implications to report. Karen Trickey, Legal Services Manager & Monitoring Officer Tel:01453 754369 Email: karen.trickey@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 & Resources Committee meeting on 26 January 2017. Council will consider the overall budget position for 2017/18 on 09 February 2017.

Background

1. The Medium Term Financial Plan (MTFP) sets out a projection of General Fund Expenditure over the 5 year period 2016/17 to 2020/21. This report sets out a detailed analysis of the changes to the Environment Committee budget for 2016/17 (Revised Estimates) and 2017/18 (Original Estimates).
2. **This report presents the members with a summarised view of the committee's budgets and the changes made to both the 2016/17 and 2017/18 budget. Further information on the changes outlined in the report, is available. 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

3. The net General Fund Revenue budget for 2016/17, approved by Council in February 2016, was £16.133m. This was revised to £16.714m after allowing for the increase to the Waste and Recycling budgets approved by Strategy and Resources Committee in April 2016, and carry forwards approved in June 2016.
4. The original budget for the Environment Committee was £6.219m. This is then used as the base budget for the 2016/17 revised estimates and 2017/18 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 2016, as a result of items reported to the committee in budget monitoring reports.
5. The original estimate for Environment Committee Budget for 2017/18 is **£6.671m an increase of £452k** on the base budget. This is largely due to the increase to the Waste and Re-cycling budget of **£430k**, pay inflation of **£29k**, price and income inflation (**£14k**) and budget and efficiency savings of **£7k**. Table 1 provides a summary of the changes to the 2016/17 and 2017/18.
6. An updated estimate of the committee's budget will be presented to Strategy and Resources Committee in January 2017. It has not been possible to reflect all the budget changes to the committee in this report due to the availability and timing of the information required. Updated estimates will include:
 - **Employer Pension contributions** – We are in the process of agreeing final assumptions and contribution rates with the actuary following the draft results of the 2016 Pension Fund Valuation. It is expected that the Primary rate will increase (being the amount the council contributes per employee as a percentage of gross pay).
 - **Payroll Inflation** – Calculation of the impact of the Living Wage Foundation's recommended increase from £8.25 per hour to £8.45 on the committee's budgets.
 - **Multi-Service Contract** – The MTFP from February 2016 was prepared on the basis of an estimate of full year costs from 2017/18 onwards. These estimates had been prepared in October 2015, largely based on information

and assumptions available at that time, these will require significant testing for robustness and need to be updated accordingly.

Table 1 – Summary of changes from the 2016/17 Original Budget

Environment Committee	2016/17 Original Estimate (£)000's	2016/17 Revised Estimate (£)000's	2017/18 Original Estimate (£)000's
[a] Original Budget	6,219	6,219	6,219
[a2] Restated Original Budget	6,219	6,219	6,219
[b] Increase to original budget		430	430
[c] 2014/15 Carry forwards		104	
[d] Reversal of Prior-year Budget Proposals			
[e] Pay Inflation 2017/18			29
[f] Price Inflation & Income Inflation			(14)
Base Budget	6,219	6,753	6,664
[g] Previous Policy Decisions			
[h] Budget Pressures			15
[i] Efficiency Savings			(8)
[j] Pension Accounting Adjustment			
Net Service Revenue Expenditure Budget	6,219	6,753	6,671

(Table subject to roundings)

Multi Services Contract (Ubico)

7. Members will recall at the last Environment Committee meeting in October, the Multi Services Contract outturn position for 2016/17 forecast a **£269k** overspend. Further detailed budget meetings have established that this forecast is still current (based on the costs and facts that have been analysed over the last few months) and will be a continued budget pressure that needs to be addressed for the revised budget for 2017/18 and in the MTFP.

A revised forecast has been requested from Ubico in order to update the budget figures for 2017/18. This information is not readily available until later this calendar year, so any revision to the budget will be dealt with through Strategy and Resources Committee on the 26 January 2017.

Committee Service Area	2016/17 Original Estimate (£)000's	2016/17 Revised Estimate (£)000's	2017/18 Original Estimate (£)000's
Canal Partnership	85	85	85
Subtotal Canal	85	85	85
Strategic Head (Development Services)	127	127	128
Head of Environmental Health	73	73	73
Environmental Health Team	224	224	225
Contaminated Land	40	40	41
Dog Warden Service	120	120	118
Environmental Protection	245	245	247
Food Safety	203	203	204
Health and Safety	121	121	119
Land Drainage	72	176	71
Public Health	89	89	89
Pest Control	109	109	113
Port Health	15	15	15
Planning Liaison	19	19	19
Subtotal Environmental Health	1,257	1,361	1,260
Planning and Building Control Admin	313	313	316
Building Control	(19)	(19)	9
Securing Dangerous Structures	20	20	19
Building Regulation Enforcement / Advice	106	106	84
Street Naming	2	2	2
Subtotal Statutory Building Control	422	422	429
Planning Strategy	336	336	338
Preparation of Core Strategy	0	0	0
Subtotal Strategic Planning of Local Plan	336	336	338
Development Control	295	300	291
Trees	49	49	49
Conservation	75	72	73
Planning Appeal Costs	81	81	82
Enforcement	128	127	128
Footpath Diversion	(1)	(1)	(1)
Subtotal Development Control	628	628	621
Economic Development	54	54	54
Market Town Projects	24	24	24
Regeneration	131	131	143
Subtotal Economic Development	210	210	221
Energy Efficiency	121	121	120
Subtotal Carbon Management	121	121	120
Refuse Collection	1,293	1,293	1,293
Multi-Bank Recycling Sites	807	1,237	1,237
Recycling and Environmental Initiatives	201	201	205
Subtotal Waste and Recycling	2,301	2,731	2,735
Street Cleansing	661	661	661
ENVIRONMENT Total	6,219	6,753	6,671

8. Changes to original budget

The 2016/17 revised estimate includes the increase to Waste and Recycling budgets, as approved by Strategy and Resources in April 2016

b) Increase to Waste and Recycling budgets - **£430k**

9. Technical and Prior-year adjustments

The 2016/17 revised estimate includes budgets carried forward from 2015/16, as approved by Strategy and Resources in June 2016

c) Environmental Health – (Land drainage) - **£104k**

10. Inflation

Pay Inflation

e) For 2017/18 salary budgets have been increased by an initial 1% in line with budget strategy of **£29k**.

f) Price inflation/Income inflation

A 2% increase on contract budgets has been added to allow for inflation and 3% on software licenses in line with the budget strategy of **£14k**.

Income from Fees and Charges has continued to be under pressure during 2016/17, the Budget Strategy report recommended that Fees and Charges for 2017/18 should be increased by 2% unless to do so would have a detrimental impact on the service. With these two issues in mind, a number of income targets have been revised slightly and the remaining income budgets have only been increased where it is considered achievable.

11. Budget Pressures

Table 3 provides a detailed overview of the budget pressures for 2016/17 and 2017/18, which have been incorporated into the General Fund budget. The council has been working on identifying savings for the Medium Term Financial Plan (MTFP) since July 2016 and these have been reviewed by Strategic Heads and Committee chairs and vice-chairs. Further consultation on the budget and efficiency savings is taking place with all committee members.

Table 3 – Budget Pressures and Efficiencies

Type	Budget	Reason for Budget Pressure or Efficiency Saving	2016/17 (£) 000's	2017/18 (£) 000's
ES	Environmental Health	Decrease budget in line with historic expenditure analysis		(8)
BP	Regeneration	Historic income budget removed (Urban design & Transport Initiatives)		11
BP	Waste & Recycling	Disposal of clinical sharps - NHS handing over the responsibility to local authorities		4
	Total Environment Committee		0	7

12. Budget Proposals

Warm and Well Partnership (£20k per annum for 3 years))

A Budget of £20k was proposed by Environment Committee at their meeting on 15 September 2016 to continue to fund the provision of Home Energy Advice and support programmes in the district for another 3 years (2017/18 to 2019/20).

It has been recommended that the funding for the Target Loan Scheme of £75k which ended in March 2016, could be used to fund the £40k needed for years 2 & 3 of the contract period.

Strategic Planning of Local Plan (£50k per annum)

The Council is formally obligated to review and deliver the Local Plan examination process. Historically the majority of the work has been carried out towards the end of the Plan along with the majority of the expenditure. This was subsequently funded from the Local Plan Reserve. The process has now been re-profiled over a 5 year rolling basis so that the work schedule is spread more efficiently and the plan reviewed regularly. It is proposed that £50k is added in to the base budget to fund the costs as the work is carried out. Any underspend in the financial year will be transferred to the Planning Strategy Reserve to fund costs in future years.