

Environment and Safe Communities Committee  
24 January 2023

## REVENUE BUDGET 2023/24

<b>Head of Service:</b>	Brendan Bradley, Head of Finance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	None

### Summary

This report sets out budget estimates for income and expenditure for Environment & Safe Communities services in 2023/24.

### Recommendation (s)

#### The Committee is asked to:

- (1) recommend the 2023/24 service estimates for approval at the budget meeting of full Council in February 2023.**

## 1 Reason for Recommendation

- 1.1 The recommendation will enable the Council to meet its statutory duty to set a balanced budget for 2023/24.

## 2 Background

- 2.1 In February 2020, Full Council agreed the four-year Medium Term Financial Strategy to 2023/24 (MTFS). The MTFS aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.
- 2.2 Since the MTFS was produced, Covid-19 has had a major impact on the Council's services and finances. The financial impact has been reported to Strategy & Resources Committee, most recently in July 2022 when the Council's budgets were re-based to reflect post-Covid activity levels.
- 2.3 The re-basing report identified a post-Covid funding gap of c.£2.6m by 2025/26. To mitigate the projected funding gap, Strategy & Resources agreed the following budget targets for 2023/24:

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- 2.3.1 Excluding any new growth in expenditure, a level of savings of £2.6 million is needed to achieve a balanced budget over the next three-year financial planning period to 2025/26.
- 2.3.2 That estimates be prepared including the delivery of savings already identified in the Financial Plan for 2023/24 totalling £215,000.
- 2.3.3 That at least £396,000 additional revenue be generated from an increase of 6% on discretionary fees and charges in 2023/24.
- 2.3.4 That a pay award provision is made that would allow for a 3% cost of living increase.
- 2.3.5 That the homelessness service be set a target to reduce net costs by £243,000 per annum.
- 2.3.6 That any additional new growth items supported by Policy Committees will need to be fully funded from existing budgets.
- 2.4 The figures in this report reflect the provisional local government finance settlement for 2023/24.
- 2.5 The service estimates for this Committee are included in the draft Budget Book 2023/24 that will be made available to all Councillors.
- 2.6 Estimates have been prepared on the basis that all existing services to residents are maintained.

### 3 Forecast Outturn 2022/23

- 3.1 Before considering the revenue estimates for 2023/24, this section provides a summary of the forecast outturn for the current financial year.
- 3.2 The probable outturn specifically for Environment and Safe Communities Committee is an overspend of £9,000 which is shown in the following table. The key reasons for the major variances are explained in the subsequent paragraphs.

<b>Service Group</b>	<b>Original Budget</b>	<b>Re-Based (Current Approved) Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Car Parking	(2,215)	(1,415)	(1,516)	260
Environmental Services	3,341	3,433	3,478	46

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Community Safety	93	95	98	3
Contract Management	124	270	313	43
Environmental Health	319	364	413	49
Countryside, Parks & Open Spaces	2,061	2,148	2,148	0
<b>Environment &amp; Safe Communities Committee</b>	<b>3,723</b>	<b>4,894</b>	<b>5,294</b>	<b>400</b>

- 3.3 The Ashley Centre and Hook Road car parks have seen a slower than anticipated recovery in visitor numbers, and in addition, Atkins House car park will not meet its income target as the leasing arrangement has ceased as of 22 October 2022. The above factors mean car parking income is currently forecast to be £260,000 under-budget for the year, although it is important to note this is a relatively early forecast ahead of the key festive trading period.
- 3.4 Environmental Health is forecasting an adverse variance of £17,000, which includes an under-recovery of income for the stray dogs contract, which came to an end in November 2022, and legal costs in relation to the Chalk Pit nuisance. There is also a forecast under-recovery of income at the cemetery of £32,000.
- 3.5 The £49,000 adverse position on contract management is due to additional legal costs of £24,000 relating to the delayed Building Control contract; and £17,000 relating to the tree maintenance contract following a claim due to possible subsidence.
- 3.6 The Domestic Waste service is forecasting an adverse variance of £46,000 due to the cost of hiring an additional refuse vehicle whilst an existing vehicle is impounded by the police.
- 3.7 The Committee's probable outturn (estimated net expenditure) for 2022/23 is included in the draft Budget Book on each service group page, with a detailed analysis of variations to budget. The outturn forecasts are all based on quarter two budget monitoring reports used by all managers.

#### 4 Proposals for 2023/24 budget

- 4.1 The service estimates for 2023/24 are included in the draft Budget Book, circulated to councillors in January.
- 4.2 A summary of the Committee's service estimates for 2023/24 is shown in the following table:

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<b>Service Group</b>	<b>Published Budget 2022/23</b>	<b>Base Position 2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Car Parking	(2,215)	(1,826)
Environmental Services	3,341	3,115
Community Safety	93	90
Contract Management	124	49
Environmental Health	319	605
Countryside, Parks & Open Spaces	2,061	2,148
<b>Environment &amp; Safe Communities Committee</b>	<b>3,723</b>	<b>4,181</b>

- 4.3 There is a net movement of -£262,000 between Environmental Services and Environmental Health as a result of the transfer of the operational reporting line for Cemeteries moving between the two service groups.
- 4.4 The following table comprises a summary of the main changes to the Committee's proposed budget for 2023/24 compared with the published budget for 2022/23.

<b>Environment &amp; Safe Communities Committee</b>		<b>Budget £'000</b>
<b>Published Budget 2022/23</b>		<b>3,723</b>
<b>Service Group</b>	<b>Change</b>	
Various	Variation in pay, pension (IAS19) & support service recharges	213
Various	Increase in fees and charges income	(517)
Various	Change in transport contract cost	7
Contract Management	Transfer of Building Control contract to Strategy & Resources Committee	(90)

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Contract Management	Increase in tree maintenance contract	65
Contract Management	Removal of historic reserve drawdown	29
Car Parks	Cost savings needed due to end of contract for on-street parking	(51)
Car Parks	Inflation on car park contracts inc pay machines	16
Car Parks	Reduction in income budget following Covid rebasing exercise	781
Parks	Increased maintenance costs	12
Trade Waste	Reduced gate fees	(28)
Highways	Loss of income from SCC for verge cutting	63
Highways	Saving as a result of verge cutting transferring to SCC	(63)
Highways	Increase in insurance recharge	11
Various	Sundry variances	10
<b>Base Position 2023/4</b>		<b>4,181</b>

## 5 Service Savings

- 5.1 As set-out in paragraph 2.3, Strategy & Resources Committee had agreed a Council-wide savings target of £2.6m to achieve a balanced budget by 2025/26.
- 5.2 The following savings, identified as part of the 2023/24 budget setting process, are included in the estimates for this committee to reduce the Council's projected budget deficit:

Summary of New Savings/Income	Committee	2023/24	2024/25	2025/26
		£000	£000	£000
Car Parking Income	E&SC	223	223	223
Review of Allotments Income	E&SC	1	1	1
<b>Total Savings/Additional Income</b>		<b>224</b>	<b>224</b>	<b>224</b>

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5.3 Progress on delivery of savings will be closely monitored and reported to members through the budget monitoring process.

### 6 Risk Assessment

Legal or other duties

6.1 In preparing the revenue budget estimates officers have identified the following main risks facing the Committee in delivering services within the budget. These budgets will require careful management during the year.

Service	Risk	Budget Estimate 2023/24	Risk Management
Off Street Car Parking	<b>High:</b> The current cost of living crisis may impact adversely on car park visitor numbers.	Total Budgeted Income £4,158k 5% change affects income by £208k; 25% change affects income by £1.04m.	Monthly monitoring and work analysing individual car park performance against target will be undertaken. Additional income streams and a long-term strategy for the future of Council car parks to be progressed.
Operational Services	<b>Medium:</b> The service is reliant on fuel and therefore susceptible to price rises.	Fuel budget across Op Services is £268k; 10% rise would increase costs by £27k.	Officers will continuously monitor fuel costs and reduce consumption where possible.
Trade Waste	<b>Medium:</b> Soaring energy costs, inflation and likelihood of recession may cause business to close resulting in reduced customer base. Gate fees for trade waste are outside EEBC control and are liable to increase.	Total budgeted income £588k; 10% change affects income by £59k. Budgeted gate fees are £250k; 10% rise would increase costs by £25k.	Officers will monitor income and costs throughout the year.

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### 6.2 Equality Impact Assessment

6.2.1 None arising from the contents of this report.

### 6.3 Crime & Disorder

6.3.1 None arising from the contents of this report.

### 6.4 Safeguarding

6.4.1 None arising from the contents of this report.

### 6.5 Dependencies

6.5.1 None arising from the contents of this report.

### 6.6 Other

6.6.1 None arising from the contents of this report.

## 7 Financial Implications

7.1 The draft Budget Book 2023/24 is highly detailed, therefore please can any questions or queries be sent to relevant officers in advance of the Committee meeting wherever possible.

7.2 **Section 151 Officer's comments:** Financial implications are contained within the body of this report.

## 8 Legal Implications

8.1 The Council will fulfil its statutory obligations to produce a balanced budget and to comply with its policy on equalities.

8.2 Although there are no direct legal implications arising from this report, decisions taken about the budget will impact the services which can be delivered. In the event of any impact, there will need to be an equalities impact assessment in relevant cases.

8.3 **Legal Officer's comments:** No further legal comments.

## 9 Policies, Plans & Partnerships

9.1 **Council's Key Priorities:** The following Key Priorities are engaged:

9.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

9.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

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- 9.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.
- 9.5 **Partnerships:** Many services are provided by the Council without the direct involvement of other agencies. There is, however, an increasing role for partnership working with others to achieve mutually agreed objectives. The benefits and risks need to be assessed in each specific case to ensure that value for money is secured and the Council's priorities are delivered in the most efficient and effective manner.

### 10 Background papers

10.1 The documents referred to in compiling this report are as follows:

#### **Previous reports:**

- Strategic Financial Planning report to S&R Committee in July 2022
- 2023/24 Budget Targets report to E&SC Committee in October 2022

#### **Other papers:**

- Draft 2023/24 Budget Book.