

REVENUE BUDGET 2025/26

Head of Service:	Kevin Hanlon, Interim Chief Finance Officer
Report Author	Sue Emmons, Chief Accountant
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report sets out budget estimates for income and expenditure for Environment Committee services in 2025/26.

Recommendation (s)

The Committee is asked to:

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- (1) Recommend the 2025/26 service estimates for approval at the budget meeting of Full Council in February 2025.

1 Reason for Recommendation

- 1.1 The recommendations will enable the Council to meet its statutory duty to set a balanced budget for 2025/26.

2 Background

- 2.1 In February 2024, Full Council agreed the four-year Medium Term Financial Strategy to 2027/28 (MTFS). The MTFS aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.
- 2.2 The figures in this report reflect the provisional local government finance settlement for 2025/26.

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- 2.3 The figures in this report reflect the work undertaken by budget managers and finance staff to identify any changes in resourcing requirements, and the provisional local government finance settlement for 2025/26.
- 2.4 Service estimates for this Committee are included in the draft Budget Book 2025/26 that will be made available to all Councillors.
- 2.5 Estimates have been prepared on the basis that existing services to residents are maintained, unless specified otherwise in section 5.
- 2.6 To allow the Council to determine the budget and Council Tax in February, the Committee estimates have been presented as follows:-
- 2.6.1 The Budget Book contains the service estimates for 2025/26.
- 2.6.2 Unavoidable cost increases and income reductions are reflected in the estimates.
- 2.6.3 Recommended increases to fees and charges have been included within the Budget Book and the income estimates.
- 2.6.4 All increases in charges are subject to approval by the Committee/Council.

3 Forecast Outturn 2024/25

- 3.1 Before considering the revenue estimates for 2025/26, this section provides a summary of the forecast outturn for the current financial year.
- 3.2 The probable outturn specifically for Environment Committee is an adverse variance of £98,000 which is shown in the following table. The key reasons for the major variances are explained in the subsequent paragraphs.

Environment Committee	Original Budget	Current Approved Budget	Forecast Outturn Q2	Forecast Variance
Service Group	£'000	£'000	£'000	£'000
Contract Management	(109)	(11)	(11)	0
Car Parking	(2,453)	(2,359)	(2,359)	0
Countryside, Parks & Open Spaces	2,405	2,459	2,474	15
Environmental Services	3,749	3,936	4,019	83
Environmental Health	626	665	665	0
Environment Committee	4,218	4,690	4,788	98

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3.3 Countryside, Park and Open Spaces is forecasting an adverse variance of £15,000 relating to unachieved income from a building within Alexandra Recreation Ground for which the capital project to replace the demolished building has stalled, due to quotes exceeding the agreed budget.

3.4 The main adverse variances within Environmental Services relate to an unbudgeted staffing cost of £33,000 within Cemeteries due to the passing of a member of staff; and an unbudgeted cost of £49,000 in Waste Services for the hire of a refuse vehicle.

4 Proposals for 2025/26 Budget

4.1 The service estimates for 2025/26 are included in the draft Budget Book, circulated to councillors in January.

4.2 A summary of the Committee's service estimates for 2025/26 is shown in the following table:

Environment Committee	Published Budget 2024/25	Base Position 2025/26
Service Group	£'000	£'000
Contract Management	(109)	0
Car Parking	(2,453)	(2,615)
Countryside, Parks & Open Spaces	2,405	2,414
Environmental Services	3,749	3,330
Environmental Health	626	674
Environment Committee	4,218	3,803

4.3 The following table comprises a summary of the main changes to the Committee's proposed budget for 2025/26 compared with the published budget for 2024/25.

Environment Committee		Budget £'000
Published Budget 2024/25		4,218
Service Group	Change	
All	Variation in pay, pension (IAS19) & support service recharges	537
All	Sundry variances	4
Car Parking	Increase in car park business rates	71

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Car Parking	Various car parking expenditure savings	(28)
Car Parking	Increase in parking fees and charges income	(227)
Countryside, Parks & Open Spaces	Increased rental income from park buildings	(30)
Countryside, Parks & Open Spaces	Other additional income within parks and open spaces	(32)
Environmental Services	Extended Producer Responsibility (ERP) grant	(671)
Environmental Services	Earmarking EPR grant funding for communications	48
Environmental Services	Increase in transport insurance	22
Environmental Services	Increase in transport recharge	17
Environmental Services	Increase in trade waste income	(36)
Environmental Services	Reduced gate fees for trade waste	(40)
Environmental Services	Increase in garden waste income	(50)
Base Position 2025/26		3,803

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

5.1.1 None arising from the contents of this report.

5.2 Crime & Disorder

5.2.1 None arising from the contents of this report

5.3 Safeguarding

5.3.1 None arising from the contents of this report.

5.4 Dependencies

5.4.1 Other Policy Committees are also being presented with their budgets for approval in the January committee cycle.

5.5 Other

5.5.1 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.

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Service	Risk	Budget Estimate 2025/26	Risk Management
Car Parking	<p>Medium: The current cost of living crisis may impact adversely on car park visitor numbers.</p> <p>The evening car parking fee structure for 2024-2025 was altered, resulting in extreme dissatisfaction from residents and concerns from businesses. As a result, the evening fees were reduced. In view of the lessons learnt, the proposed increase in income is proposed to come from increased use of the car parks which may be unrealistic.</p>	<p>Total Budgeted Income £4,880k 5% change affects income by £244k; 25% change affects income by £1.22m</p>	<p>Monthly monitoring and work analysing individual car park performance against target will be undertaken.</p> <p>The current projections rely heavily on additional parking for new retail businesses. This will be monitored.</p> <p>Additional income streams and a long-term strategy for the future of Council car parks to be considered.</p>
Waste Collection and Trade Waste	<p>Medium: Difficult economic conditions may cause businesses to close resulting in reduced customer base.</p> <p>Difficulty in recruiting staff and adverse sickness levels may lead to higher than budgeted agency staff costs.</p> <p>Changes following the publication of the government Waste Strategy could require costly changes to services.</p>	<p>Total budgeted income £1,814k; 10% change affects income by £181k.</p> <p>Total budgeted employee costs £1,745k; 10% change raises costs by £175k.</p>	<p>Monitoring service delivery options within government guidelines.</p> <p>Working with HR to tackle causes of staff sickness and regular monitoring of agency requirements.</p> <p>Careful analysis of required changes to services and seeking value for money from proposed solutions.</p> <p>The Environment Committee has been assured that funding will be made available for any future statutory changes</p>

			required to the waste service.
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6 Financial Implications

- 6.1 The draft Budget Book 2025/26 is highly detailed, therefore please can any questions or queries be sent to relevant officers in advance of the Committee meeting wherever possible.
- 6.2 **Section 151 Officer's comments:** Financial implications are contained within the body of this report.

7 Legal Implications

- 7.1 The Council will fulfil its statutory obligations to produce a balanced budget and to comply with its policy on equalities.
- 7.2 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 a equalities impact assessment in relevant cases.
- 7.3 **Legal Officer's comments:** As above, there are no direct legal implications arising from this report.

8 Policies, Plans & Partnerships

- 8.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- Effective Council.

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- 8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 8.3 **Climate & Environmental Impact of recommendations:** None arising directly from the contents of this report.
- 8.4 **Sustainability Policy & Community Safety Implications:** None arising directly from the contents of this report.
- 8.5 **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.

9 Background papers

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

Previous reports:

- [2025/26 Strategic Financial Planning, Strategy & Resources Committee, 23 July 2024.](#)
- [2025/26 Budget Targets, Environment Committee, 15 October 2024.](#)

Other papers:

- Draft 2025/26 Budget Book.