

2021/22 DRAFT ENVIRONMENT BUDGETS

AGENDA ITEM NO. 9

MEETING: ENVIRONMENT COMMITTEE

DATE: 25TH NOVEMBER 2020

REPORT BY: FINANCE MANAGER

1.0 Purpose of the Report

- 1.1 The purpose of this report is to present for Members' consideration, comments and approval the draft 2021/22 Revenue and Capital Budgets for the Environment Committee.

2.0 Background to the Report

- 2.1 Members approved the Budget Framework and Timetable for the setting of the Council's 2021/22 Revenue and Capital Budgets at the meeting of the Policy and Resources Committee on 21st October 2020.
- 2.2 This report provided details of the background to the budget setting process, highlighting the challenges and uncertainty created by the Coronavirus pandemic, setting out the key principles and methodology that would be used for the setting of the 2021/22 Revenue and Capital Budgets, and the timetable that would be followed.
- 2.3 It was agreed that the 2021/22 Revenue and Capital Budget would be developed in accordance with the key principles set out in the current Medium-Term Financial Plan, which are:-
1. Continuing to provide all Council services, facilities and events and maintaining current standards of service.
 2. Ensuring continued delivery of the Asset Management Plan via the Capital Programme Budgets.
 3. Safeguarding a prudent level of balances and reserves.
 4. Keeping any increase in council tax as low as possible.
- 2.4 However it was highlighted that there were a number of potential budget issues that are currently subject to a lot of uncertainty, but which could make the budget setting process challenging. These issues include:-
- the ongoing Coronavirus pandemic and the risk of the second wave of infection leading to extended local or national lockdown measures, causing further financial losses into next year;
 - the Government's forthcoming Comprehensive Spending Review and the potential for cuts to local government funding, and the subsequent impact on the future payment of the Council Tax Support Grant;
 - further expected reductions in the Council Tax Base as a result of increasing unemployment and claims for council tax support; and
 - the possibility of council tax referendum principles being extended to large town and parish councils.

- 2.5 It was therefore acknowledged that the 2021/22 budget setting process and timetable would need to be adapted to account for these unprecedented and uncertain times.
- 2.6 It was agreed that an initial draft 2021/22 Revenue Budget would be prepared on the basis of 'business as usual', based the latest information available in relation to the Council Tax Support Grant and Council Tax Base. and the assumption that the worst of the Coronavirus pandemic will be over by next April.
- 2.7 This means that if and when the pandemic is over, or at least under control, the Council will still have a budget in place to facilitate the continuation of all current services, facilities and events.
- 2.8 The draft Revenue Budget has been prepared, initially at least, on the basis of a freeze in the Council Tax.
- 2.9 This is in recognition of the financial difficulties being faced by local taxpayers during the Coronavirus pandemic, and also offers the option, prior to setting the Precept in January, of offsetting any further budget pressures, via a small Council Tax increase, if this is necessary.
- 2.10 The draft Revenue Budget will then be updated later in the year as more information is made available in relation to the aforementioned issues.
- 2.11 In relation to the 2021/22 Capital Programme Budget, the Medium-Term Financial Plan highlights a risk that the Council faces some potentially significant capital investment commitments in relation to its assets over the coming years, linked to the delivery of the Asset Management Plan, and that the funding of this investment will see a deterioration in the level of the Council's balances and reserves.
- 2.12 In light of this, the Council has agreed that future capital investment will continue to be closely monitored and controlled in order to protect and preserve Council balances, and the 2021/22 Capital Programme Budget has been prepared on the basis of essential investment only, mainly linked to the delivery of the Asset Management Plan.
- 2.13 Officers have subsequently been working on the development of the draft 2021/22 Revenue and Capital budgets for each Committee and the draft budgets have now been agreed with senior officers and also distributed to all Council Members for consideration and comment.
- 2.14 The draft 2021/22 Revenue and Capital Budgets for the Environment Committee are set out in this report and the attached appendices for Members' consideration.

3.0 Draft 2021/22 Environment Revenue Budgets

- 3.1 The detailed draft 2021/22 Environment Revenue Budgets are attached at **Appendix 1** for Members' consideration.
- 3.2 Members will note that the attached draft budget figures include the actual outturn figures for the last two financial years; 2018/19 and 2019/20.

- 3.3 The prior year income and expenditure figures are included in order to enable Members to take actual spending and income figures into account, in their consideration of the draft 2021/22 budget proposals.
- 3.4 The latest expected outturn figures for the current financial year; 2020/21, have *not* been included as the impact of the Coronavirus pandemic makes comparison with a 'normal' year very difficult.
- 3.5 Members should be aware that the budgets incorporate a number of savings, which have been included with a view to delivering an initial council tax freeze in the draft budget as previously indicated.
- 3.6 A summary of the draft Environment Revenue Budgets is shown below:-

| Budget 2020/21 £ | Environment Revenue Budget | Inflation and Committed Growth £ | Investment in Service £ | Savings and Increased Income £ | Budget 2021/22 £ |
|---------------------|----------------------------|----------------------------------|-------------------------|--------------------------------|---------------------|
| 99,250 | Environment | 750 | - | (1,400) | 98,600 |
| 7,250 | Street Equipment | 100 | - | (100) | 7,250 |
| 44,050 | Cemeteries | 2,950 | - | (1,500) | 45,500 |
| 22,950 | Allotments | - | - | (250) | 22,700 |
| 11,500 | Church Works | - | - | - | 11,500 |
| 185,000 | Total Budget | 3,800 | - | (3,250) | 185,550 |

- 3.7 The draft 2021/22 Environment Committee Revenue Budget shows a small overall increase of £550 or 0.30% to £185,550.
- 3.8 Inflationary increases in running costs, have added £3,800 or 2% to the budget. However, these increases have been largely offset by savings, budget reductions and increased income totalling £3,250 or 1.7%.
- 3.9 No discretionary additional or new investment in services in the Environment Budgets has been provided for in light of the current financial situation of the Council and the possibility that further savings may be required, later in the year, to balance the 2021/22 Revenue Budget.
- 3.10 A summary of the main changes in respect of each individual environment budget area is detailed below.

3.11 Environment and Open Spaces

This budget has fallen by £650 per year to a net running cost of £98,600 per year.

This saving is as a result of reductions in under-utilised budgets such as environment events and wildflower meadow maintenance, which have more than offset an increase in waste disposal costs.

3.12 Street Equipment

This budget has remained unchanged.

3.13 Cemeteries

This budget has increased by £1,450 per year to a net running cost of £45,500, largely as a result of a slight fall in income from a reduced number of advance purchases of graves.

3.14 Church Works

This budget reflects the time spent by works staff undertaking grounds maintenance works at St Clare's Church and St Andrew's Church, as well as providing for income from any burials at St Andrew's Church, and has remained unchanged at £11,500 per year.

3.15 Allotments

This budget has fallen marginally by £250 to a net running cost of £22,700 per year. This provides for the previously agreed 2.5% increase in allotments rents next year.

3.16 Environment Fees and Charges

The Environment Revenue Budget does not, as yet, provide for any increases in the fees and charges for the cemeteries in 2021/22 (allotments rents are set a year in advance in accordance with the law).

Fees and charges will be considered by the Council's Charges Working Group, and, if any increases are agreed, then this would generate additional resources which could then be added to the cemeteries income budgets, if required later in the year, to help balance the Revenue Budget.

4.0 Draft 2021/22 Environment Capital Programme Budgets

4.1 As Members are aware, the Council's the Medium-Term Financial Plan highlights that the Council continues to face some significant capital investment commitments in relation to its assets over the coming years, linked to the delivery of the Asset Management Plan, and that the funding of this investment will see a deterioration in the level of the Council's balances and reserves over the longer term.

4.2 In light of this, it has been recommended that capital investment continues to be closely monitored and controlled in order to protect and preserve Council balances, and that the 2021/22 Capital Programme Budget is focussed on essential investment only, mainly on capital projects already identified in the Asset Management Plan.

4.3 To be clear, it is *not* being recommended that *all* capital investment is restricted, more that investment should be focussed on those projects that contribute towards the delivery of the Asset Management Plan, such as essential building works, essential footpath repairs and Ash tree dieback disease works.

4.4 The draft 2021/22 Environment Capital Programme Budget is attached at **Appendix 2** and currently stands at **£54,000**.

4.5 The budget includes provision for the following projects:-

St Oswald's Allotments Fencing £10,000

This budget provides for the replacement of the remaining section of the fencing at St Oswald's Allotments, following the replacement of the first section during the current financial year.

Footpath Repairs £15,000

This budget provides for the ongoing programme of repairs to Council owned footpaths, car parks and access roads.

Ash Tree Dieback Disease Works £25,000

This budget provides for the ongoing programme of works to remove and replace trees affected by Ash dieback disease across the Parish.

Public Seating £1,000

This budget provides for the replenishment of the Council's public seating stocks which are used to replace seating around the town as and when required.

Remembrance Seating £3,000

This budget provides for the purchase of further memorial seating, including a tribute to the Durham Light Infantry.

4.6 Members are asked to consider the proposed 2021/22 Environment Capital Programme Budget and forward any comments, suggestions for additional projects, or proposed amendments to the Chairman or Vice Chairman of the Committee as soon as possible.

5.0 Budget Timetable

5.1 The remaining timetable for the setting of the 2021/22 Budgets is summarised below:-

- **2nd December:** The overall draft 2021/22 Revenue and Capital Budget to be considered by Policy and Resources Committee and the 2021/22 Precept and Council Tax agreed in principle;
- **During December:** Budget consultation to be undertaken via an online budget survey;
- **During December:** Officers to review and implement any feedback and amendments from Members and consider any further developments in relation to the 2021/22 budget setting, including any required savings;
- **20th January:** The final 2021/22 Revenue and Capital Budget proposals, incorporating any new developments, required amendments and the feedback from the budget consultation to be reported to Policy and Resources Committee;
- **27th January:** Revenue and Capital Budgets to be approved by Full Council and the 2021/22 Precept and Council Tax increase to be declared.

6.0 Policy Implications

- 6.1 The consideration of the 2021/22 draft Environment Revenue and Capital Budgets contributes towards the achievement of Strategic Aim 2 in the Council's Service Delivery Plan:

"To manage the Council's finances and assets in a responsible manner".

7.0 Staffing Implications

- 7.1 The draft budget proposals set out in this report were prepared in consultation with and agreed by the relevant service managers.

8.0 Financial Implications

- 8.1 The financial implications for the Council are fully set out in the report.

9.0 Crime and Disorder Implications

- 9.1 None.

10.0 Equal Opportunities Implications

- 10.1 None.

11.0 Environmental Implications

- 11.1 None.

12.0 Risk Assessment

- 12.1 A full risk assessment will be included in respect of the setting of the Council's 2021/22 Revenue and Capital Budget, at the final stage of the budget setting process, when the Council determines and approves the 2021/22 Precept in January 2021.

13.0 General Data Protection Regulations (GDPR)

- 13.1 There is no personal or sensitive data required for this proposal which may have any implications for GDPR.

14.0 Recommendations

- 14.0 It is recommended that Members consider and approve the attached draft 2021/22 Environment Revenue and Capital Budgets, and provide any comments, feedback or proposed amendments to the Chairman or Vice Chairman of the Committee as soon as possible.