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Phoenix House
Phoenix Lane
Tiverton
Devon
EX16 6PP
www.middevon.gov.uk

Contact: **Julia Stuckey**
Telephone
:
Email: **01884 234209**
jstuckey@middevon.gov.uk

Date 1 November 2016

Dear Member

Environment –8 November 2016

I am now able to enclose, for consideration at the next meeting of the **Environment Policy Development Group**, the following reports that were unavailable when the agenda was printed.

7 **Draft Budget** (*Pages 3 - 16*)

To consider options available in order for the Council to set a balanced budget for 2017/18 and agree a future strategy for further budget reductions for 2018/19 onwards.

Yours sincerely

Julia Stuckey
Member Services Officer

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ENVIRONMENT PDG 2017/18 Service Unit Budgets

Summary of PDG

Service Unit	Description	2015/16 Actual	2016/17 Budget	2017/18 Budget	Movement
SES02 Cemeteries	Cemeteries	19,555	(47,610)	(34,850)	12,760
SES05 Open Spaces	Open Spaces	104,316	54,800	82,410	27,610
SGM01 Grounds Maintenance	Grounds Maintenance	548,753	562,130	560,950	(1,180)
SPS01 Asset Management	Asset Management	16,532	0	0	0
SPS03 Flood Defence And Land Drain	Flood Defence And Land Drain	(3,658)	26,430	26,430	0
SPS04 Street Naming & Numbering	Street Naming & Numbering	6,137	7,910	7,220	(690)
SPS07 Public Transport	Public Transport	(15,644)	(15,080)	(15,110)	(30)
SPS11 Public Conveniences	Public Conveniences	71,548	49,300	43,230	(6,070)
SWS01 Street Cleansing	Street Cleansing	331,964	322,770	334,720	11,950
SWS02 Waste Collection	Waste Collection	786,989	546,720	352,880	(193,840)
SWS03 Recycling	Recycling	479,268	730,150	699,380	(30,770)
SWS04 Waste Management	Waste Management	225,490	175,870	170,790	(5,080)
	TOTALS	2,571,250	2,413,390	2,228,050	(185,340)

SES02 Cemeteries

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	39,855	54,590	62,230	7,640
2000	Premises	86,517	20,810	21,030	220
3000	Transport	1,247	340	340	0
4000	Cost Of Goods And Services	15,882	9,840	9,930	90
7000	Income	(123,947)	(133,190)	(128,380)	4,810
	Sum:	19,555	(47,610)	(34,850)	12,760

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	(4,761)
ES100	Cemeteries	(97,780)	20% Savings	(9,522)
ES110	Bereavement Services	62,930		
	TOTAL	(34,850)		

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Cost Pressures/Savings on Basis of Current Service Provision

1000 - Increased salary budget is as result of the new Operations Manager on a full-time contract.

7000 - Income budget has been reduced on Internments to reflect the current income position in 16-17.

Impact and Risks if 10% Savings Imposed

Increase in Internment & Exclusive Burial Rights fees by 5% (5.7k). Cemetery Fees were increased by 10% in 16-17, previously we have agreed an increase every other year.

Impact and Risks if 20% Savings Imposed

Increase in Internment & Exclusive Burial Rights fee by 10% (11.4k)

SES05 Open Spaces

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	34,914	34,820	34,980	160
2000	Premises	69,896	66,460	68,090	1,630
3000	Transport	5,129	6,000	4,060	(1,940)
4000	Cost Of Goods And Services	22,365	26,500	26,080	(420)
7000	Income	(27,989)	(78,980)	(50,800)	28,180
	Sum:	104,316	54,800	82,410	27,610

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
ES440	Inspections Staff Unit	0	5,480	10,960
ES450	Parks & Open Spaces	67,710		
ES455	Amory Park Recreation	7,280		
ES460	Play Areas	7,420		
PS480	Mddc Footpaths & Railway Walks	0		
	TOTAL	82,410		

Cost Pressures/Savings on Basis of Current Service Provision

7000 - Income budgets for Developer's Contributions have been set below the line

Impact and Risks if 10% Savings Imposed

- Possible transfer of paddling pools (£3k est) to Town Council's
- Increase inspections on Parks & Play area, selling services to Towns and Parishes.

Impact and Risks if 20% Savings Imposed

- Look into running events in our Parks to generate income
- Amory Park Rec could be converted into porta cabins which would reduce running cost or look at a different use.
- Splash park with charge for entrance.

SGM01 Grounds Maintenance

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	437,313	459,230	455,550	(3,680)
2000	Premises	18,065	41,910	41,640	(270)
3000	Transport	93,041	74,120	71,030	(3,090)
4000	Cost Of Goods And Services	38,201	36,180	37,130	950
7000	Income	(37,866)	(49,310)	(46,000)	3,310
	Sum:	548,753	562,130	559,350	(2,780)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	56,213
GM960	Grounds Maintenance	559,350	20% Savings	112,426
	TOTAL	559,350		

Cost Pressures/Savings on Basis of Current Service Provision

1000 - 1% pay award

Impact and Risks if 10% Savings Imposed

- x2 FTE on Grass cutting, plus equipment associated (£45k est), risk to this service would be a reduced level of hedge, grass and tree works across the District.
- Removal of Agency budget £5k, risks associated with this would be the service struggling to cover holiday and sickness.
- Increased contributions for grass cutting

Impact and Risks if 20% Savings Imposed

- Further 1 FTE on AD Hoc works plus a reduction in a team leader post. Over the 10 & 20% this would result in a reduction of 1 whole team. The impact on the service would be that grass cutting frequencies would have to be reviewed, the District would look unsightly with many complaints from members of the public and the possibility of delay's in Cemetery burials as the team would struggle to cope with this reduction.
- Look to maximise Tree works gang (spend to save) and look generate income from selling services externally.

SPS03 Flood Defence And Land Drain

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	0	0	0	0
2000	Premises	3,033	26,230	26,230	0
4000	Cost Of Goods And Services	12,709	200	200	0
7000	Income	(19,400)	0	0	0
	Sum:	(3,658)	26,430	26,430	0

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
PS400	Flood Defence And Land Drain	26,430	2,643	5,286
	TOTAL	26,430		

Cost Pressures/Savings on Basis of Current Service Provision

Impact and Risks if 10% Savings Imposed
- Any cuts made to this budget would result in potential flooding in areas around the District. Some of the spend against this budget is matched from funding from Devon County Council.

Impact and Risks if 20% Savings Imposed

SPS04 Street Naming & Numbering

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	5,360	5,460	5,580	120
2000	Premises	2,696	3,570	2,970	(600)
3000	Transport	(2)	0	0	0
4000	Cost Of Goods And Services	64	70	60	(10)
7000	Income	(1,981)	(1,190)	(1,390)	(200)
	Sum:	6,137	7,910	7,220	(690)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
PS600	Street Naming & Numbering	7,220	791	1,582
	TOTAL	7,220		

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Cost Pressures/Savings on Basis of Current Service Provision

Impact and Risks if 10% Savings Imposed
 - Most of this cost is salary based so would have to reduce hours spent on street naming & numbering

Impact and Risks if 20% Savings Imposed
 - This service have already made cuts to the number of signs we put up (1 sign on one side of the road) if a further 20% was required the service would struggle to react.

SPS07 Public Transport

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
2000	Premises	3,055	8,000	8,000	0
4000	Cost Of Goods And Services	3,491	920	890	(30)
7000	Income	(22,189)	(24,000)	(24,000)	0
	Sum:	(15,644)	(15,080)	(15,110)	(30)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
PS880	Bus Station Maintenance	(15,110)	(1,508)	(3,016)
	TOTAL	(15,110)		

Cost Pressures/Savings on Basis of Current Service Provision

Impact and Risks if 10% Savings Imposed
- Increase the departure charges to the Bus companies

Impact and Risks if 20% Savings Imposed

SPS11 Public Conveniences

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	30,692	28,780	23,120	(5,660)
2000	Premises	59,430	61,360	58,270	(3,090)
3000	Transport	3,777	4,010	4,040	30
4000	Cost Of Goods And Services	10,283	10,350	8,000	(2,350)
7000	Income	(32,635)	(55,200)	(50,200)	5,000
	Sum:	71,548	49,300	43,230	(6,070)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
PS350	Public Conveniences	43,230	4,930	9,860
	TOTAL	43,230		

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Cost Pressures/Savings on Basis of Current Service Provision

1000 - Cleaning hours have moved to Waste for the cleaning of Carlu Close.

2000 - Reduction in the Utility bills.

7000 - Reduction in the income being received to reflect the real recharge to Parish & Town Councils.

Impact and Risks if 10% Savings Imposed

- 100% cross charging to Town & Parish Councils, which would lead to reduction in internal and external cleaning staff, where Parish or Town councils are only making a small contribution we could look to increase.

Impact and Risks if 20% Savings Imposed

- Remodelling of Phoenix Lane PC into Homeless shelter and transfer over to HRA or change its use and convert into a commercial property.

SWS01 Street Cleansing

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	227,264	206,730	217,910	11,180
2000	Premises	0	0	0	0
3000	Transport	69,908	79,010	80,980	1,970
4000	Cost Of Goods And Services	42,045	44,300	44,300	0
7000	Income	(7,254)	(7,270)	(8,470)	(1,200)
	Sum:	331,964	322,770	334,720	11,950

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
WS650	Street Cleansing	334,720	32,277	64,554
	TOTAL	334,720		

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Cost Pressures/Savings on Basis of Current Service Provision

1% on salaries £2k. Agency costs £6.8k. Holiday pay £1.6k.
Allow 10% increase on vehicle repairs £2.9k

Impact and Risks if 10% Savings Imposed

Impact and Risks if 20% Savings Imposed

Reduce mechanical sweeping from 4 to 8 weeks, this would result in 1 FTE G6 (£28k), sinking fund for 1 sweeper (£13k) and saving on fuel and repairs (£4k).
Review sweeping work and recharge income, circa (£10k)
Vehicle supply and maintenance tender - tbc

SWS02 Waste Collection

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	870,341	837,980	860,640	22,660
2000	Premises	0	0	0	0
3000	Transport	525,133	473,830	459,100	(14,730)
4000	Cost Of Goods And Services	527,275	524,110	524,340	230
7000	Income	(1,135,759)	(1,289,200)	(1,491,200)	(202,000)
	Sum:	786,989	546,720	352,880	(193,840)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
WS700	Refuse Collection	522,130	54,672	109,344
WS710	Trade Waste Collection	(169,250)		
	TOTAL	352,880		

Cost Pressures/Savings on Basis of Current Service Provision

1000 - 1% on salaries and movement in SCP £10k. Holiday pay £5k. Agency costs £7k.

3000 - Replacement van budgeted for in Refuse in 16-17 not required in 17-18 (£15k).

4000 - Saving on clinical waste contract (£22k). Increase in trade waste disposal charges £20k.

7000 - Shared waste savings agreement with DCC (£200k). Amend recharge income for clinical waste £7.5k. Decrease in sale of caddy liners £6.9k. Increase in Trade Waste income (£21.5k). Housing now have own skip resulting in £4.7k on skip recharge income.

Recommendation for Members to agree to increase the following fees in 17-18;

Bulky Waste collection by £1, Garden Waste charges by £1.

Impact and Risks if 10% Savings Imposed

(£15k) net saving already made as part of the clinical waste review.

(£18k) saving made on vehicle sinking fund, due to replacing part of fleet with smaller and cheaper refuse vehicles.

(£21k) Increased trade waste income and 1% in customer base

SWS02 Waste Collection

Impact and Risks if 20% Savings Imposed

Consideration of: Round restructuring, different work patterns and smaller vehicles.

Composting (shredding) grant review, circa (£15k).

Vehicle supply and maintenance tender - tbc.

Trade waste - review charging for special events circa (£10k).

SWS03 Recycling

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	757,429	834,500	883,680	49,180
2000	Premises	95,633	98,750	167,850	69,100
3000	Transport	169,384	246,530	214,920	(31,610)
4000	Cost Of Goods And Services	205,438	325,120	233,430	(91,690)
7000	Income	(748,615)	(774,750)	(800,500)	(25,750)
	Sum:	479,268	730,150	699,380	(30,770)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	20% Savings
WS725	Kerbside Recycling	511,390		
WS740	16 Shop - Recycling	0		
WS770	Unit 3 Carlu Close	187,990		
	TOTAL	699,380	73,015	146,030

Cost Pressures/Savings on Basis of Current Service Provision

1000 - 1% on salaries , SCP movement and employees joining pension £22.7k. Holiday pay £8.1k. Agency £8.5k. Budget moved from Property Services to Waste for a depot cleaner £5.7k.

2000 - Increase in depot charges, rent and rates £69k.

3000 - Skip hire budget no longer required (£23.4k), replacement van budgeted for in 16-17, not required in 17-18, (£15k).

4000 - Remove budget load for depot move/fit out (£100k).

7000 - Increase in predicted recycling tonnages (£27k).

Impact and Risks if 10% Savings Imposed

Impact and Risks if 20% Savings Imposed

Remove bring bank service, less skip movement charges - tbc.

Vehicle supply and maintenance tender - tbc.

Consideration of: Further round restructuring

Rental income from DCC for waste transfer station (£25K).

SWS04 Waste Management

Group	Description	2015/16 Actuals	2016/17 Budget	2017/18 Budget	Movement £
1000	Employees	218,504	169,800	162,410	(7,390)
3000	Transport	1,377	2,070	2,560	490
4000	Cost Of Goods And Services	5,608	4,000	5,820	1,820
	Sum:	225,490	175,870	170,790	(5,080)

Cost Centre	Cost Centre Name	2017/18 Budget	10% Savings	17,587
WS750	Waste Management Staff Unit	170,790	20% Savings	35,174
	TOTAL	170,790		

Cost Pressures/Savings on Basis of Current Service Provision

Part of this salary budget has been moved to Refuse and Recycling to allow budget for ECC selling recycling materials and change in grade for the Team Leader.

Impact and Risks if 10% Savings Imposed

Possible service restructuring

Impact and Risks if 20% Savings Imposed

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