



COUNCIL

Report of: Councillor Dr. Peter Moseley
Cabinet Member for the Environment & Councillor Adam Stokes, Cabinet
Member for Finance

Report to:	Council
Date:	15th June 2017
Subject:	Big Clean (report no. CFM 421)

Decision Proposal:	Budget Framework Proposal
Relevant Cabinet Members:	Cllr Dr Peter Moseley - Cabinet Member for the Environment Cllr A Stokes - Cabinet Member for Finance
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SUMMARY

The purpose of this report is to request that Council approve the necessary amendments to the budget framework 2017/18 in order to facilitate the delivery of the district wide 'Big Clean' project. The amendments, if approved, will change the General Fund Revenue Account, the General Fund Capital Framework and the Council's General Fund reserves.

RECOMMENDATIONS

It is recommended that Council approves:

1. The amendment of the General Fund budget framework for 2017/18 in order to include a supplementary estimate of £661,000 revenue and £226,500 capital to facilitate the delivery of the “Big Clean” project.
2. The financing of the supplementary estimate in 2017/18 to be met from the Council’s local priorities reserve.

1. BACKGROUND TO REPORT

1.1 The business case and associated objectives and outcomes from the ‘Big Clean’ project is documented in report ENV660 which was presented to Cabinet on 1st June 2017. At the meeting, Cabinet approved recommendation 1 above and the following:

1. That a Big Clean initiative is undertaken over a 3 month period
2. That the work specification is set to achieve a higher street standard i.e. removal of all weeds, washing of street furniture, removal of graffiti as detailed in the report
3. That members and officers develop a South Kesteven “street scene standard”
4. That following a review of the outcomes from the project ongoing investment in the service is considered as growth during the 2018/19 budget process which will ensure the higher street standard is maintained
5. That volunteers are actively encouraged and supported to contribute to the improvements
6. As part of the big clean project funding, £15,000 is allocated to the community cleaner grant scheme to further promote locally resourced cleansing within district.
7. That a communications strategy is developed and implemented to support the changes

The report was also discussed in detail at the Environment Overview and Scrutiny Committee on 23rd May 2017 and the recommendations listed above were supported by the Committee.

1.2 In order to fund this project Cabinet recommend that Council approve the necessary investment needed to deliver this project. The report is attached at Appendix A for reference.

1.3 Financial considerations

The specific details of the required investment are detailed below:

- A £661,000 investment in both short term and longer term teams (5 in total) during 2017/18 consisting of:
 - An initial revenue investment of £450,000 providing 4 teams, targeting identified areas over a 3 month period, bringing the District to a high standard of appearance.
 - A further revenue in-year investment of £211,000 to fund an additional team to support the delivery of the higher standard on an ongoing basis.
- A further capital investment in year of £226,500 for the purchase of the necessary equipment and vehicles to support the additional deployment.
- Review the ongoing operation to ensure the best value in terms of investment in mechanical equipment.
- Development of a local higher standard specification for rating our streets ready for implementation after the initial 3 months initiative.

1.4 The financial appraisal to determine the required level of investment has been based on quotations provided through soft market testing and will be subject to the final tender prices. Therefore there could be some variation in the split of the costings as shown below but in all aspects, value for money shall be secured through utilising robust procurement routes and accessing market tested frameworks where possible.

1.5 Revenue Estimates

	2017/18 (additional funding)
One off Short Term Big Clean	£450,000
Additional ongoing investment	£211,000
Total Additional Budget (Appendix B Summary of General Fund Estimates)	£661,000

1.6 Capital Estimates

	2017/18 (additional funding)
One off Short Term Big Clean	0
Additional ongoing investment	£226,500
Total Additional Budget (Appendix B General Fund Capital Programme line 19)	£226,500

- 1.7 The outcomes from the project will be reviewed during the programmed works. If, as expected, the project is successful in delivering the stated outcomes then Council will be asked to allocate further funding in future years in order to ensure the maintenance of the defined standard. The additional resources will be considered alongside other potential investment growth areas, budgetary pressures and anticipated available funding for 2018/19. The budgetary proposals for 2018/19 will be presented to Council in March 2018 for Council tax setting purposes.

2. RISK AND MITIGATION

- 2.1 Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Financial Risk	There is a financial risk that the costs incurred in 2017/18 could be aborted if future funding (2018/19) is not secured. This would require disposal of purchased assets and reducing the workforce back to original levels. In order to mitigate this risk, options will be developed in order to accommodate the additional cost in future budgets

3. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY & DIVERSITY)

- 3.1 The proposal for the amendment to the budget does not affect individual characteristics and does not require an equality impact analysis.

4. CRIME AND DISORDER IMPLICATIONS

- 4.1 Not applicable

5. COMMENTS OF FINANCIAL SERVICES

- 5.1 This is a large scale initiative and as such the financial implications of the proposal are material and require careful consideration. The costings in the report will constitute a significant variation to the current budget framework agreed 2017/18 in terms of both capital and revenue. A balanced budget has been achieved for the current year, therefore the short term option to fund the proposed in year investment is to utilise existing reserves. The proposed budget framework entries are shown in bold and italics at Appendix B.

- 5.2 It is recognised that utilising reserves is not sustainable going forward into the medium and longer term. Therefore, based on the current Council approved Medium Term Financial Strategy (MTFS), the future investment must be considered against other already established budgets, future growth in income and further savings and efficiencies. Additional pressures would also need to be considered against these proposals when constructing a revised budget

strategy for 2018/19 and beyond. At this stage the additional future years funding has not been included within the MTFs. Funding for future years will need to be considered once the local service standard has been defined and the ongoing cost implications are determined. Options to accommodate the ongoing increase in budgetary costs will need to be developed alongside other cost reductions, income generation, budgetary growth and pressures and consideration of future Council Tax levels.

- 5.3** It is recognised that investing in the district, as detailed in the proposal, should have a positive impact on economic viability and therefore create overall wealth and prosperity. In future the investment could potentially offer income generation opportunities.

6. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

- 6.1** Section 89(1) of the Environmental Protection Act 1990 places a duty on certain authorities, including District Councils, to ensure that their land (or land for which they are responsible) is, so far as is practicable, kept clear of litter and refuse. The Council should have regard to the Code of Practice on Litter and Refuse that acts as a practical guide to the discharge of these duties.

- 6.2** The in-year change to the budget framework for 2017-2018 is proposed to be approved by Council in accordance with Budget and Policy Framework Procedure Rules.

7. COMMENTS OF OTHER RELEVANT SERVICES

- 7.1** None

8. APPENDICES

Appendix A – ENV 660

Appendix B – financial implications of changes to budget framework

9. BACKGROUND PAPERS

Code of Practice on Litter and Refuse

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221087/pb11577b-cop-litter.pdf