



Budget Scrutiny

Climate Change & Environment

12 January 2023



Agenda

- Overview of the Portfolio
- Portfolio priorities
- Revenue Budget 2022/23
- Revenue forecast Q2 Cabinet
- Revenue budget savings since April 2020
- Proposed changes to the Revenue budget
- Overall Proposed Revenue Budget
- Challenges, risks and opportunities
- Top 5 contracts
- Fees & Charges
- Capital Budget and forecast 2022/23
- Proposed Capital Programme
- Questions

Overview of the Portfolio

Cabinet Members: Cllr Gareth Williams (Portfolio Holder) and Cllr Jilly Jordan (Deputy Portfolio Holder)

The Climate Change & Environment portfolio is aligned to the:

- Communities Directorate (Richard Barker - Corporate Director Communities), specifically Neighbourhood Services (Waste Strategy & Management) (Martin Dickman – Service Director) and
- Planning Growth & Sustainability Directorate (Ian Thompson – Corporate Director PGS), specifically Environment (Climate Change & Environment) (Steve Bambrick – Service Director)

The portfolio helps to deliver all of the Corporate priorities and is principally responsible for:

- Climate Change Strategy and action on mitigating climate change
- Tree planting programme including the Queens Green Canopy
- Energy and Environmental Policy; and Biodiversity Strategy
- Waste Strategy and Management
- Waste Collection
- Street Scene
- Waste disposal/treatment
- Waste Enforcement (litter & fly tipping)
- Strategic Flood Management
- Natural Environment Partnership

Overview of the Portfolio

Climate Change

Our Climate Change and Air Quality Strategy sets actions for the council to take to become carbon neutral by 2050 and will have a cross-cutting impact on all council services.

Work is underway to plant 543,000 trees on council-owned land over the next 10 years.

The council has participated in a pilot scheme for developing Local Nature Recovery Strategies, designed to map, plan, and help drive a more coordinated, practical, and focussed action and investment to help nature thrive.

This portfolio also includes environmental specialisms such as:

- Strategic flood management (which has a significant grant-funded capital programme)
- Ecologists
- Archaeologists
- Heritage
- Urban design specialists

Overview of the Portfolio

Waste, recycling and fly-tipping

The council, as the Waste Collection Authority, has a statutory duty to collect household waste from the kerbside of residential properties.

The service also includes all household waste collections, bulky and clinical waste collections, street cleansing, grounds maintenance and the commercial collection services.

As a Waste Disposal Authority the service also covers the management and disposal of waste and includes the councils 9 Household Recycling Centres, the Bio Waste Transfer Station and the Energy from Waste facility.

Initiatives supported to encourage residents to reduce, reuse and recycle include the Real Nappy Library, Litter Lotto and Community Fridges.

The service continues to support the SCRAP fly-tipping campaign and enforces against fly-tipping.

Portfolio priorities

- **Net Carbon Zero by 2050** – by delivering key actions set out in our Climate Change & Air Quality Strategy, moving towards electric vehicles for council use, seeking opportunities to generate solar energy by putting photovoltaic electric generation on Council land, communicating to public Council climate change ambitions and actions and progressing ambition to plant over 500,000 trees and creating a new woodland in North Buckinghamshire
- **Flood prevention** – through delivery of key capital schemes and progressing the Project Groundwater
- **Produce a Tree Strategy** for Buckinghamshire
- **Increase electric vehicle charging points** – doubling EV charging points across Buckinghamshire by end 2023/24 and adoption of an EV Charging Action Plan
- **Recycling Initiatives** – continued delivery including a food waste reduction and recycling campaign, to increase recycling and energy recovery rates in Buckinghamshire
- **Review of Waste Strategy** – to determine the best waste service delivery model which is sustainable and ensures consistently high service quality
- **Zero- tolerance towards fly-tipping** – to continue to proactively educate and safeguard the public around their duty of care through partnership campaign work alongside the robust enforcement of fly-tipping in Buckinghamshire
- **Investing in waste collection vehicles** across the county and trialling new electric or alternative fuel vehicles where possible
- **Biodiversity net gain scheme** - establish a fully functioning biodiversity net gain scheme

Our Service Users

99.9% of all bin collections are successful



Approximately 110,000 bins collected every day



Less than 0.5% of Buckinghamshire's waste goes to landfill



Households in Buckinghamshire recycle 56% of their waste



700+ people have been prosecuted for fly-tipping since 2004

£1M+ paid by convicted offenders in fines and costs



Household Recycling Centres

1.8 million visits made to HRCs annually




Buckinghamshire's HRCs have a 74% Recycling Rate

Energy from Waste

25
Megawatts

Generating 25 Megawatts of electricity

40
Thousand homes

Powering 40,000 homes

£150
Million

Saving £150 million for Bucks over 30 years

Fly-tipping enforcement



Waste Promotions & Education

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Social media promotes waste reduction & recycling to 40,000 local people a year



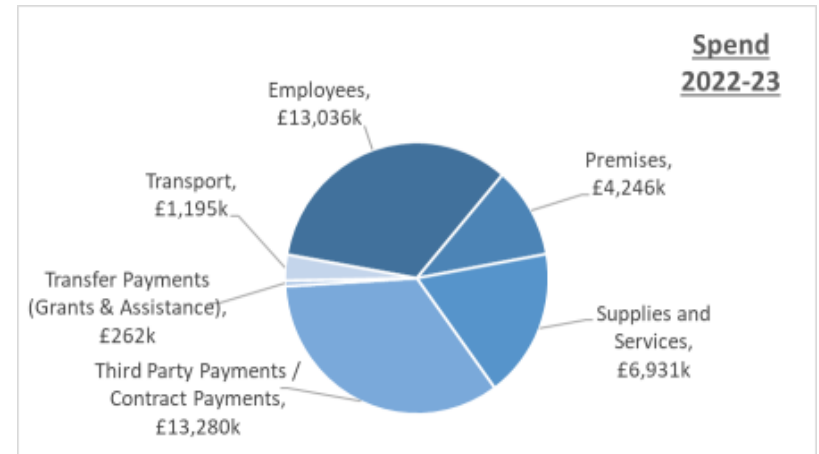
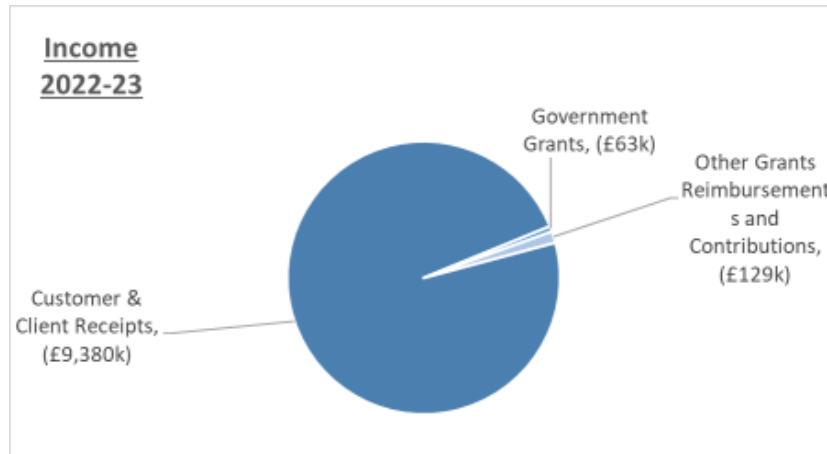
£5m Council Funds set aside to deliver Climate Change Strategy and leverage Govt Grants

25% of electricity purchased by the Council is from renewable sources

Revenue Budget 2022-23

The charts and tables below show the base revenue budget (excluding temporary virements) for Climate Change & Environment income and expenditure.

		2022-23		
		Income £000	Expense £000	Net Budget
Environment	Energy & Resources	(323)	640	317
	Natural Environment	(132)	1,660	1,528
Environment Total		(455)	2,299	1,844
Street Cleaning	Street Cleaning	(380)	2,967	2,587
Street Cleaning Total		(380)	2,967	2,587
Waste	Waste	(8,738)	33,239	24,501
Waste Total		(8,738)	33,239	24,501
Grand Total		(9,572)	38,505	28,933



Revenue forecast at Q2

	Budget	Y/E Outturn	Variance	Change in Variance (from Q1 Cab) £000
	£000	£000	£000	
Expenditure	3,560	3,670	110	
Income	(1,690)	(1,800)	(110)	
Environment	1,870	1,870	0	0
Expenditure	3,010	3,090	80	
Income	(380)	(350)	30	
Street Cleaning	2,630	2,740	110	0
Expenditure	49,260	54,180	4,920	
Income	(24,740)	(33,060)	(8,320)	
Waste	24,520	21,120	(3,400)	(2,210) ↓
Climate Change & Environment	29,020	25,730	(3,290)	(2,210) ↓

Climate Change and Environment Revenue: Budget £29m, Forecast £25.7m, Favourable Variance **£3.3m**

a) EFW & Residual Waste - Budget -£0.1m, Var Favourable £3.8m

Income from electricity sales is now higher than forecast in Q1 (£1.3m) - now £3.9m in Q2 after a proposed transfer to reserves of £15m. This is due to the increase in wholesale electricity prices. There is potential for electricity income forecast to increase further depending on market activity however the impact of the Government's Electricity Generator Levy announcement is likely to have a significant and detrimental impact on income in this area.

b) In addition, income of £4.4m related to the undisputed element of an ongoing legal case regarding Third-Party Waste and metals income has been received post court judgement, including interest, for period 2016/17 to 2021/22. It is proposed that this income be contributed to a corporate reserve as it is non-recurring income outside of business as usual.

c) Grounds Maintenance – Budget £0.8m, Var Adverse £0.1m

Overspend due to additional grant awards to voluntary organisations and unachievable income streams from Higginson Park Trust and miscellaneous licences.

d) Household Waste Recycling Centres - Budget £3.1m, Var Favourable £0.2m

Underspend due to savings achieved from the current 9 site contract as 10 site contract envisaged to commence in November 22 and additional re-use income and commodities income.

e) Waste Disposal – Budget £2.6m, Var Adverse £0.1

Overspend due to inflationary pressures on current costs in Green Food Bulky Wood (GFBW) contract.

f) Environment – Budget £1.8m, Nil Variance

Revenue budget savings from April 2020

The following savings have been made since the Unitary vesting day in April 2020:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Contract Harmonisation				
Environmental Health Services - Dog Waste Contract		-65	-65	-130
HRC contract trade income			-14	-14
Greenwaste			-750	-750
		-65	-829	-894
Better Buckinghamshire				
Neighbourhood Services:				
Garden waste increased income		-300	-237	-537
Service Improvements - Southern Waste Contract		-20		-20
Grounds Maintenance Wycombe		-18		-18
Bulky Waste charging		-190		-190
Bring servicing of waste abd recycling fleet in house & Taxi MOT		-10		-10
Minor changes to Wycombe Services			-15	-15
		-538	-252	-790
Horticulture Contract brought in house	-400			-400
GFBW Waste Contract	-25			-25
	-425			-425
TOTAL SAVINGS	-425	-603	-1,081	-2,109

Proposed changes to the Revenue Budget

Climate Change & Environment		Change 2023-24 £000's
Environment		
Grant funded expenditure	Tree Planting (funded from grants and reserves)	50
Grant Income	Tree Planting (funded from Grant income)	(21)
Reserves	Use of Climate Change reserve to fund Tree Planting	(29)
Street Cleaning		
Savings	External contract savings in Grounds Maintenance (Better Buckinghamshire programme)	(8)
Waste		
Savings	External contract savings in Waste services	(400)
Growth	Increase in Fleet maintenance costs	100
	Increase in Household Recycling Centre contract and service provision costs	50
	Increase in staffing to support waste collection round review in the North of the county.	115
	Increase in Strategic waste operating costs (contract inflation, housing and tonnage growth)	238
	Reduction in Waste income and increased staffing costs	120
Income	Increase in Garden waste collection income from increased number of customers	(300)
	Increase in Garden waste fees (£5 increase per annum)	(350)
	Increase in Household Recycling Centre Commodities and Re-Use income (partly Better Buckinghamshire programme)	(450)
	Increase in income from Energy from Waste plant	(11,800)
	Wycombe Garden Waste Fees & Charges (Better Buckinghamshire programme)	(250)
Inflation	Additional costs (contract inflation, housing and tonnage growth) - for Strategic Waste budgets	70
	Waste Contract inflation	1,540
Special Items	Funding for Waste Options Appraisal and ongoing legal case	750
	Increase in Household Recycling Centre contracts and provision	(115)
Reserves	Use of reserve to fund Waste Options Appraisal and ongoing legal case	(750)

Proposed changes to the Revenue Budget

- Proposed budget changes respond to the changed landscape in the energy market and inflationary environment whilst contributing to the Corporate Plan and member priorities e.g. Waste Strategy review.
- The Autumn Statement introduced a 45% Electricity Generator Levy effective from January 2023 and electricity income from EfW proposals include the impact of this. This is expected to be a temporary increase and is assumed will taper off as energy prices revert to normal levels.
- Waste contract inflation includes growth costs for GFBW waste disposal, EfW, HRCs and Waste collection.
- Other growth items include increased costs to maintain North Waste collection fleet due to age and replacement programme, establishment growth of 3 FTE for North Waste to add one extra round and Ground maintenance staffing pressures and unachievable income.
- Savings of £400k are expected to be made from cost reduction for the Casepak contract which provides dry waste recycling services to the Council.
- Additional income is proposed for Garden Waste collections with an anticipated increased customer base as well as a £5 increase in price (10% fee uplift). These proposals include Wycombe Garden charges.
- The new HRC contract is expected to deliver additional commodities and re-use income.
- Special items include increased HRC contracts and provision with the opening of a new site, one-off funding for Waste Option appraisal commissioning strategy and Environment Bill implementation (this will be covered through reserve contribution) and an adjustment to remove use of Waste reserve line no longer needed.
- The Tree Planting Programme – a key part of the Council’s Climate Change Strategy – continues to be delivered, funded by a combination of Government Grants and the Council’s own £5m Climate Change fund.

Overall Revenue Budget 2023-24

		Income £000	2023-24 Expense £000	Net Budget
Environment	Energy & Resources	(323)	640	317
	Natural Environment	(153)	1,233	1,081
Environment Total		(476)	1,873	1,397
Street Cleaning	Street Cleaning	(380)	2,959	2,579
Street Cleaning Total		(380)	2,959	2,579
Waste	Waste	(21,883)	34,939	13,056
Waste Total		(21,883)	34,939	13,056
Grand Total		(22,738)	39,771	17,033

Change Type	Total £000
Grant funded expenditure	50
Grant Income	(21)
Growth	968
Income	(13,150)
Inflation	1,265
Savings	(421)
Special Items	(82)
Reserves	(509)
Grand Total	(11,901)

Challenges, Risks & Opportunities

- The Government's Electricity Generator Levy which is likely to have a significant and detrimental impact on income for the Council's Energy from Waste facility.
- Long term investment in Climate Change Strategy – £5m climate change fund is committed; challenge and opportunity will be in building further climate change proposals into 'Business as Usual'.
- Management demands following housing growth (waste collection north, household recycling centres)
- Reliability of Alternative Fuel waste collection vehicles within the council's term
- The combined impact of Brexit and COVID on the availability of HGV Drivers
- The value of recycling collected kerbside – likely to impact delivery of recycling initiatives
- Fly-tipping – continuing to enforce particularly in South Bucks
- Energy price inflation resulting in higher electricity income for the Council*
- Fuel and contract inflation resulting in higher costs for Northern waste collection fuel costs and higher contract costs for Waste (including EfW, Green, Food & Bulky Waste, Household recycling centres and Southern Waste) and grounds maintenance
- Southern Waste contractor delivering a consistent service in line with contractual requirements and obligations
- Opportunities for Climate-Change related Income generation (solar farms, battery storage) & bidding for Government Grants to fund initiatives.

**Energy price inflation is a cost risk in other portfolios, mainly in Property and Transport.*

Top 5 Contracts

Supplier name	Annual Contract Value £k	Description (inc. Contract End Date)
Drax Solutions Limited	13,900	Electricity Supply Provider majority of Council assets, including Corporate Estate, Street Lighting. Harmonisation across legacy contracts nearly complete. Budgets largely held in other Portfolios (e.g. Property); Energy team manage the contract and monitor usage, drive efficiencies, etc; This includes all meter points, including all schools and partners that have opted into the contract; start date 1 st Oct 2022; end date 30 th Sept 2024; no extensions
Veolia Environmental Services	11,776	Joint waste, recycling and cleansing contract; took over Serco contract in Sept 2020 and Biffa contract in November 2021; start date 7 th Sept 2020; end date 6 th Sept 2030 (5 year break clause within this 10 year contract); 10 year extension length (10 +10).
Total Gas	3,750	Gas provider for majority of Council Assets; start date 1 st Oct 2020; end date 30 th Sept 2024 with 4 year extension option.
FCC Waste Services (UK) Ltd	2,700	Integrated household waste recycling centre; start date 1 st April 2022; end date 31 st March 2027; extension length is 5 years with option of individual period(s) of no shorter than 1 year.
FCC Recycling (UK) Ltd	2,600	Green, Food and Bulky Waste contract; start date 1 st Feb 2021; end date 31 st Jan 2026; extension length is 5 years with option of individual period(s) of no shorter than 1 year.

Fees & Charges

- Each year, as part of the MTFP, the Fees and Charges schedule is reviewed in detail as part of the MTFP project timeline.
- Fees and charges are applied to waste services for refuse and recycling bin replacements, contract services for garden, bulky, residual, schools, trade residual waste, trade recycling, HRC trade waste and non-household waste.
- The majority of Fees and Charges are proposed to be amended by a 9% RPI increase and one of the proposals includes an RPI increase for green waste collection subscriptions.
- Environmental Specialist Fees, such as the provision of specialist ecology and conservation advice, are increasing by 9%. These are not large income generators for the Council, so a 9% increase will only provide £3k-£5k additional income, which has not been included as a budget change due to its de-minimus value.

Capital Budget and Forecast Q2

Service / Project	Actuals to Date £000	Released Budget £000's	Unreleased Budget £000's	Total Budget £000's	Forecast Outturn Released £000's	Forecast Unreleased £000's	Forecast Outturn £000's	Forecast Variance £000's
Flood Defence Schemes	346	1,393	434	1,827	1,094	158	1,252	-575
Strategic Flood Management	0	100	0	100	100	0	100	0
Flood Management Total	346	1,493	434	1,927	1,194	158	1,352	-575
Biowaste Treatment	1,870	2,483	0	2,483	3,883	0	3,883	1,400
Southern Waste Contract - Vehicles	0	0	4,018	4,018	3,418	0	3,418	-600
Southern Waste Contract-Depot Improvmt	-157	-525	0	-525	75	0	75	600
Recycling Centres Vehicles & Plant	0	0	360	360	0	360	360	0
Recycling Centre Welfare Facilities	136	-26	280	254	254	0	254	0
Pembroke Rd Depot Welfare Facilities	11	-15	200	185	185	0	185	0
Aylesbury Waste Vehicles Replacement	94	0	2,471	2,471	2,471	0	2,471	0
Recycling Initiatives & Waste Containers	175	343	0	343	343	0	343	0
Buckingham HRC & Waste Transfer Station	0	0	275	275	0	275	275	0
Recycling Centres Drainage EA Compliance	5	0	700	700	0	700	700	0
Waste Total	2,134	2,260	8,304	10,564	10,629	1,335	11,964	1,400
Solar Car Port & Electric Fleet	0	95	0	95	95	0	95	0
Climate Change & Air Quality Total	0	95	0	95	95	0	95	0
Grand Total	2,480	3,848	8,737	12,585	11,918	1,493	13,410	825

Climate Change & Environment Capital: Budget £12.6m, Var **£0.8m**

- a) Biowaste project carry forward of £2.4m due to delay in construction start date (build commenced Nov 21) - this also includes landscaping and retention costs - anticipated to be completed this financial year. It is expected this project will exceed budget by £1.4m due to increased fuel, steel costs and the disposal of contaminated soil, which will be funded from in-year revenue and reserves contributions.
- b) £0.6m of slippage on Flood alleviation schemes; reprofiling has been agreed via a project update paper to Highways Board in September, and will be reflected in Qtr 3.

Proposed Capital Programme 2023-24 to 2026-27

Climate Change & Environment Portfolio Capital Programme 2023/24 to 2026/27

Expenditure

Service Area	Project Group / Project	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	MTFP Total £000's
Neighbourhood Services	Waste					
	Aylesbury Waste Vehicles Replacement	2,390	2,390	630	1,180	6,590
	Buckingham HRC & Waste Transfer Station	1,275	250	4,600	-	6,125
	High Heavens Flare			500		500
	Pembroke Rd Depot Welfare Facilities	600	-	-	-	600
	Recycling Centres Drainage EA Compliance	489	407	-	-	896
	Recycling Centres Vehicles & Plant	-	2,106	-	-	2,106
	Recycling Initiatives & Waste Containers	660	680	700	920	2,960
	Replacement Bulk Shredder	-	664	-	-	664
	Southern Waste Contract - Vehicles	-	771	-	-	771
	Waste Total	5,414	6,718	6,430	2,100	20,662
Neighbourhood Services Total		5,414	6,718	6,430	2,100	20,662
Planning and Environment	Climate Change & Air Quality					
	Climate Change Strategy	655	780	1,260	-	2,695
	Climate Change & Air Quality Total	655	780	1,260	-	2,695
	Flood Management					
	Flood Defence Schemes	3,525	4,310	3,595	-	11,430
	Strategic Flood Management	50	50	50	-	150
	Flood Management Total	3,575	4,360	3,645	-	11,580
Planning and Environment Total		4,230	5,140	4,905	-	14,275
Funding						
Funding - MTFP Table		2023/24	2024/25	2025/26	2026/27	MTFP Total
		£000's	£000's	£000's	£000's	£000's
Revenue Contributions to Capital		(160)	(180)	(200)	(720)	(1,260)
Ringfenced Grants		(2,720)	(3,590)	(2,135)	-	(8,445)
Revenue Contributions (Service)		(855)	(980)	(1,460)	(200)	(3,495)
Total Funding		(3,735)	(4,750)	(3,795)	(920)	(13,200)
Net Portfolio Totals						
		5,909	7,108	7,540	1,180	21,737
	Funded From Corporate Resources	(5,909)	(7,108)	(7,540)	(1,180)	(21,737)
	Total	-	-	-	-	-

- Waste capital proposals allow for business as usual to continue as well as seeking to meet health & safety requirements at sites
- All waste capital programme items are to be centrally funded except for waste containers and bins which will be funded from reserve
- Rolling programme includes replacement of North Waste Vehicles, North and South Waste containers, HRC vehicles and plant and Buckingham HRC & Waste Transfer Station – all of which meet business as usual needs
- One off funding proposed includes replacement of High Heavens Flare, Pembroke Road Depot welfare facilities, recycling centres drainage EA compliance and vehicles & plant and bulk shredder – all linked to health and safety compliance

Proposed Capital Programme 2023-24 to 2026-27

- Proposed capital programme responds to business as usual needs, takes account of inflationary impacts whilst contributing to the Corporate Plan and member priorities e.g. waste collection vehicle investment across the county and trialling new electric or alternative fuel vehicles where possible.
- Rolling programme includes replacement of North Waste Vehicles, North and South Waste containers, HRC vehicles and plant and Buckingham HRC & Waste Transfer Station.
- Investment in vehicles, plant and containers for waste collection allows for compliance with Environmental Protection Act, minimising health risks to residents. Statutory waste collection service vehicles need to be replaced before they reach their expected useful life when the fleet would not be able to sustain all services and would incur higher repairs, maintenance and hire costs (for breakdowns) to keep the service running. Containers are required to be purchased every year in the county and this includes replacement of broken bins, new property growth and new customers for mainline and garden waste.
- The HRC replacement shredder is required to replace the existing one which is reaching the end of its useful life and contractually needs to be replaced.
- The High Heavens flare is required for the old land fill site which is producing methane and can be controlled by flaring with the potential to generate income. The investment is for equipment required to make this site safe.
- Climate Change & Air Quality projects are as set out in the Climate Change Strategy, to improve building energy efficiency in Council buildings (e.g. installing solar panels), install solar car ports and support the electrification of Council's fleet. Funded from grants and the councils £5m climate change fund.
- The Flood Management Programme continues to leverage grants from DEFRA and the Environment Agency – including delivery of the £8m Project Groundwater – to tackle highest priority flood risks within the County. Some of these projects are likely to be hit by inflationary pressures; the Council holds a £0.5m contingency within its flooding programme, and will look to bid to the Environment Agency to meet additional costs through its regular business case submission process.



Questions

