

Committee Report Checklist

Please submit the completed checklists with your report. If final draft report does not include all the information/sign offs required, your item will be delayed until the next meeting cycle.

Stage 1

Report checklist – responsibility of report owner

ITEM	Yes / No	Date
Councillor engagement / input from Chair prior to briefing		
Commissioner engagement (if report focused on issues of concern to Commissioners such as Finance, Assets etc)		
Relevant Group Head review		
MAT+ review (to have been circulated at least 5 working days before Stage 2)		
This item is on the Forward Plan for the relevant committee		
	Reviewed by	
Finance comments		
Risk comments		
Legal comments	LH	21/01/26
HR comments (if applicable)		

For reports with material financial or legal implications the author should engage with the respective teams at the outset and receive input to their reports prior to asking for MO or s151 comments.

Do not forward to stage 2 unless all the above have been completed.

Stage 2

Report checklist – responsibility of report owner

ITEM	Completed by	Date
Monitoring Officer commentary – at least 5 working days before MAT	L Heron	21/01/26
S151 Officer commentary – at least 5 working days before MAT	T.Collier	21/1/26
Confirm final report cleared by MAT		

Environment and Sustainability Committee

Date of meeting – 27 January 2026

Title	Environment and Sustainability - Budget, Fees and Charges, and Capital Programme for 2026/27
Purpose of the report	To make a decision
Report Author	Altin Bozhani, Deputy Chief Finance Officer (Interim)
Ward(s) Affected	All Wards
Exempt	Report – no
Corporate Priority	Environment Resilience Service Delivery
Recommendations	Committee is asked to: <ol style="list-style-type: none">1. Review the draft detailed revenue budget for 2026/27 for Environment and Sustainability Committee, and agree any amendments2. Review the draft detailed Capital Programme budget for 2026/27 for Environment and Sustainability Committee3. Recommend to Corporate Policy and Resources Committee to approve the proposed detailed Revenue budget and Capital Programme proposals.
Reason for Recommendation	Councils have a statutory duty to balance their budgets. It is important that we take a medium-term approach in ensuring that we can take action sufficiently early to ensure the Council's Revenue Budget remains financially sustainable.

1 Executive summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none">• A robust revenue and capital budgets planning process helps organisations to manage their resources with economy, efficiency, and effectiveness	<ul style="list-style-type: none">• To have a robust and sustainable 2026/27 budget that meets the needs of the service and provides a resilient financial position to the Council as a whole.• The 2026/27 Budget planning process commenced in June 2025 and must be completed and approved by Council in February 2026.
This is what we want to do about it	These are the next steps

<ul style="list-style-type: none"> Committee reviews and agrees revenue and capital growth & fees & charges. 	<ul style="list-style-type: none"> Approval of the Detailed Budget and preparation of the whole budget for Committee
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2 Key issues

- 2.1 This report seeks to present the Budget, Fees and Charges, and Capital for Environment and Sustainability. The purpose is to give the Committee an early opportunity to comment and shape the Budget before the overall 2026/27 budget approval by the Corporate Policy and Resources Committee at its meeting in February.
- 2.2 The Council's Medium-Term Financial Strategy (MTFS) faces significant pay and pension-related pressures and adjustments. Pay costs are projected to rise by 4% in 2026/27, with an additional 0.2% retrospective adjustment for 2025/26, followed by further annual increases of 2.5% in years two and three of the planning period, placing sustained upward pressure on the staffing budget.
- 2.3 During the early stages of the budget-setting process, the early identification and assessment of both Revenue and Capital pressures were recognised and closely monitored. Services were reminded that the Council is legally required to set a balanced budget. All proposed revenue pressures must be fully offset by corresponding savings or spend-to-save initiatives. Where unavoidable pressures cannot be absorbed within existing budgets, clear justification and evidence of need must be provided.
- 2.4 Furthermore, Services are advised that all Capital growth bids must be realistic and deliverable, particularly for projects expected to extend beyond 1 April 2027, given the implications of the Surrey Local Government Reorganisation (LGR).
- 2.5 Detailed analysis are attached as Appendices A – F. The Committee has the opportunity to comment on any of the fees and charges, 2026/27 budget and planned capital projects for 2026/27.

Budget Principles

- 2.6 The Council applied the following principles when setting the annual budget:
- Aligned the budget with the Council's Corporate Plan and strategic priorities.
 - Undertaking financial planning a medium-term approach being mindful that the last Budget Spelthorne will set will be 2026/27, and giving consideration towards alignment with West Surrey councils
 - Give consideration to revenue and capital requirements.
 - Secure necessary savings, cost reductions, and increased income generation.
 - Maintain a sustainable financial position and avoid reliance on one-off measures.
 - Base all financial estimates on robust data and evidenced assumptions. Make use of benchmarking data and comparison, particularly with West Surrey councils

- Approve unavoidable service pressure only in exceptional circumstances and on a case-by-case basis, ideally being managed by individual services from compensating savings.
- Ensure all services demonstrate value for money and high productivity

Fees and Charges

- 2.7 A general uplift of 5% has been applied to discretionary fees and charges as the default position, except where managers have carried out benchmarking and provided a justification for a different rate. Figures have been rounded in accordance with the direction from Corporate Policy and Resources. While some discretionary fees are increasing, parking charges are not, resulting in an overall increase of approximately £53k in fees and charges. However, there remains the option to introduce an increase to parking charges mid-year.
- 2.8 Green waste bin service fees are proposed to be increased from £70 to £80 per annum. This is expected to generate £138k of income for the Council if current volumes stay consistent. Within the green waste income budget, an uplift of 5% has been applied to other green waste items, such as larger bins (660l).
- 2.9 Overall planning application fee income has reduced, moved from (£716k) in 2025/26 to an expected (£566k) in 2026/27. This is partially offset by an expected increase in volume of Pre-Application planning fees, where the budget has moved from (£76k) to (£100k). Each of these income streams have been reviewed, and an achievable budget for 2026/27 has been set. There is an expected under recovery of income for planning fees in 2025/26.
- 2.10 In light of the forthcoming Local Government Reorganisation (LGR) and the creation of the new West Surrey Council, the Council is committed to reviewing and aligning its fees and charge's structure to ensure consistency and fairness across the region, and to contribute towards closing the Spelthorne Budget gap. As part of this process, the Council will work closely with neighbouring authorities to identify opportunities for harmonisation, undertaking benchmarking comparisons, ensuring that services are delivered efficiently while providing value to residents and businesses. This will include assessing current fee levels and structures, with a focus on streamlining and aligning charges where appropriate, to support the smooth transition to the new council and to enhance the overall service delivery across the new administrative boundaries.

Unavoidable Expenditure Pressure

- 2.11 The Environment and Sustainability Committee's net service expenditure has reduced by £321.6k, from £6.956m to £6.635m, reflecting a broadly stable overall position with targeted growth pressures offset by savings and additional income in several areas. The most significant upward movements are concentrated in frontline regulatory and operational services, notably Environmental Health, Refuse Collection (+£87k) and Development Control (+£132.7k), largely driven by staffing, pension costs and inflationary uplifts. These increases are partially mitigated by reductions or additional income in Pollution Control (-£48.8k), Grounds Maintenance (-£203k), Car Park Admin (-£39k), Street Cleaning (-£82.7k) and higher grant and recycling income within Recycling All Materials (-£449.1k net).

- 2.12 HMO (Houses in Multiple Occupation) activity is a clear driver of year-on-year growth. Within Environmental Health Admin, there is a £231.6k increase, underpinned by staffing growth and associated on-costs: salaries rise by £45.4k, with National Insurance (+£13.3k) and Superannuation (+£80.5k) increases reflecting additional posts. Crucially, a £100k one-off agency staff budget is included explicitly to deal with HMO pressures. In Development Control, although overall consultant budgets reduce, the service still identifies £60k of HMO-related enforcement work within consultant activity, highlighting that HMO demand continues to exert pressure across regulatory functions beyond Environmental Health alone. These changes indicate that HMO enforcement, licensing and compliance are a sustained cost pressure rather than a one-off spike.
- 2.13 Elsewhere, growth reflects service demand and statutory responsibilities: Environmental Health Residential adds £133k for agency staff to support the implementation of the Renters' Rights Bill, reinforcing the wider housing and standards agenda that also drives HMO pressures. Planning Policy sees significant internal reconfiguration and one-off agency support but delivers a small net reduction (-£16.1k) due to the removal of earlier one-off growth bids and increased CIL (Community Infrastructure Levy) contributions to fund an in year staffing restructure.
- 2.14 Waste and Recycling budgets experience few movements: AWC (Alternate Weekly Collection) Recycling swings by £449k favourable, driven by a large increase in expected Extended Producer Responsibility (EPR) grant income (from £907k to £1.54m), partially offset by new £207k recycling contract payments to Surrey Heath BC. Refuse Collection increases £87k from staffing and pension pressures, while Green Waste income improves by £141k. Grounds Maintenance reduces overall by £203k despite salary growth, owing to £284k new income from Surrey County Council for highways verge and weed maintenance. Across the full portfolio, most other service lines remain stable, with car parks generally unchanged year-on-year.
- 2.15 Overall, based on pension contribution advice from the Surrey Pension Fund actuaries, employer contribution rates for 2026/27 to 2028/29 are expected to decrease from 24.6% to 23.1%. This reduction will generate an estimated overall Council budget saving of approximately £0.5 million. Prior to 2026-27 there were two elements making up the employer pension contribution, with a current service contribution charged as a percentage to individual services and a past service contribution charged as a lump sum to unallocated expenses within the Corporate Policy and Resources Committee". From 2026-27 the Pension Fund is combining these two elements into a single percentage charge which have been reflected against individual service budgets, this has the effect of pushing up individual services superannuation budgets, although the overall pension cost to the Council is actually reducing.

Savings

- 2.16 The following table below highlights the main drivers of savings from deleting vacant posts and increasing fees and charges through Garden Waste. It is anticipated that service delivery will not be affected by the deletion of these posts and expenditure budgets.

Proposed Savings (included in 2026/27 draft budget)	Saving £
Increase in Garden Waste Income from fee increase £70 - £80	138,000
Delete Parking Manager's post	76,400
Delete Grounds Main. Operative's post	34,200
Delete Street Sweeper's post	33,800
Delete Grounds Main. Operative's post	34,200
Delete Street Sweeper's post	33,800
Delete Parks Maint. Supervisor and add £30k against Trees	30,600
Decrease in Protective Clothing Budget	10,000
Remove Vending Machines Budget	5,000
Remove Fences & Walls Budget	5,400
Remove Community Fund Budget	4,300
	405,700

Capital Programme for 2026/27

- 2.17 The draft Capital Programme for 2026/27 is £350k. This includes £60k for garden waste bins, £60k for replacement of Staines market stalls, £80k for 4 sweeper vehicles and £150k for solar panel installation at Lammis Pavilion, Depot and Whitehouse Hostel. The funding for these schemes comes from capital grants.

3 Options appraisal and proposal

- 3.1 The Committee has the opportunity to comment on and propose amendments to any of the fees and charges, savings, or growth items.
- 3.2 In the context of the Council's medium-term financial planning and the continuing pressures on local government funding, it is anticipated that further work will be required to identify opportunities for achieving additional savings in future years.

4 Risk implications

- 4.1 When considering savings proposals, we need to consider the risk of any adverse impact on service delivery capacity including
- Service disruption and reduced capacity and potential backlogs in statutory and frontline services.
 - Loss of critical knowledge and experience due to departing staff with service expertise, and local knowledge
 - Increased pressure on remaining staff due to higher workloads
 - Reduced resilience and lack of adequate staff cover
 - Inability to meet statutory and regulatory requirements due to skills gaps and insufficient capacity.
 - Higher reliance on agency/interim staff, leading to increased costs, reduced continuity, and potential inconsistency in service delivery or decision-making.
 - Delays or failure to deliver key projects and transformation programmes
 - Difficulty attracting skilled candidates within the competitive labour markets, pay constraints, or location challenges.

- Risk that savings are not fully achieved in year, particularly in context of additional resource pressure of local government organisation.

5 Financial implications

- 5.1 The draft 2026/27 Budget, Fees and Charges, and Capital programme proposals present a financially responsible and sustainable framework that supports the Environment and Sustainability service in delivering corporate priorities while meeting the Council's statutory requirement to set a balanced budget.
- 5.2 Developed in line with medium-term planning principles, the proposals apply a standard 5% uplift to discretionary fees (where appropriate), assume continued Extended Producer Responsibility funding of £1.5m to offset waste costs.
- 5.3 The £350k capital programme presents a realistic and deliverable set of schemes that prioritise essential assets and long-term resilience, particularly considering the forthcoming Local Government Reorganisation. The 2026/27 programme will be funded using the Extended Producer Responsibility grants. Overall, the proposals uphold financial stability by balancing targeted investment with necessary efficiencies, ensuring that all growth is supported by corresponding savings or reinvestment.

6 Legal comments

- 6.1 The Council has a statutory duty to set a balanced budget each financial year. In preparing budget proposals, each Committee must give regard and comply with the requirements of all applicable legislation, including (but not limited to) making arrangements for proper administration of financial affairs, securing best value and Public Sector Equality Duty.
- 6.2 This report will assist the Council to fulfil its statutory obligations to produce a balanced budget.
- 6.3 The Council has a variety of powers to charge for specific statutory services, and a general power under the Local Government Act 2003 to charge for discretionary services on a cost recovery basis.
- 6.4 Where spending decisions are taken about the budget that will impact the services which can be delivered, an appropriate and proportionate equalities impact assessment must be carried out.
- 6.5 All capital projects require input and support from Legal Services.

Corporate implications

7 S151 Officer comments.

- 7.1 The S151 Officer confirms that relevant financial considerations have been taken into account and set out the current draft Revenue and Capital proposals.. The report addresses the financial implications. As stated it is important that the Budget sets a balanced Budget on a sustainable basis. It will be important to deliver the savings identified to ensure a sustainable financial position.

8 Monitoring Officer comments.

- 8.1 The Monitoring Officer confirms that the relevant legal implications have been taken into account.

9 Procurement comments

- 9.1 None arising directly from this report.

10 Equality and Diversity

- 10.1 Equality, diversity, and inclusion (EDI) are central to everything that the Council does and has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity

11 Sustainability/Climate Change Implications

- 11.1 Not applicable.

12 Other considerations

- 12.1 Changes to parking fees are implemented by way of an amendment to the current parking order, the process includes the need to carry out a public consultation exercise before reporting back to committee. In setting charges, we are required to have regard to the need to cover the costs of providing the service.

13 Timetable for implementation.

- 13.1 February 17th Corporate Policy and Resources agrees final Detailed Revenue Budget and Capital Programme for recommendation to Council
- 13.2 26th February Council sets overall Budget

14 Contact

- 14.1 Altin Bozhani, Deputy Chief Finance Officer (Interim) –
A.Bozhani@spelthorne.gov.uk.

15 Background papers:

- 15.1 None

16 Appendices:

- Appendix A - Net Expenditure Budget 2026/27 by Type - Environment & Sustainability
- Appendix B - Draft Detailed Budget 2026/27 - Environment & Sustainability Committee
- Appendix C – E&S - Fees and Charges
- Appendix D – 2026/27 Fees and Charges Projection - E&S
- Appendix E – Detailed Capital Budget - E&S
- Appendix F - Environment Sustainability - Draft Net Expenditure by Service