

**ENVIRONMENT AND TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE –
22 JANUARY 2015**

MEDIUM TERM FINANCIAL STRATEGY 2015/16 – 2018/19

MINUTE EXTRACT

Medium Term Financial Strategy 2015/16 - 2018/19

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources which provided information on the proposed 2015/16 to 2018/19 Medium Term Financial Strategy (MTFS) as it related to the Environment and Transport Department. A copy of the report marked 'Agenda Item 8' is filed with these minutes.

The Chairman welcomed Mr P C Osborne CC, Cabinet Lead Member for Highways and Transport, Mr B L Pain CC, Cabinet Lead Member for Waste Management, and Mrs P Posnett CC, Cabinet Lead Member for Environmental Matters to the meeting for this item.

In introducing the report, the Director of Environment and Transport and Cabinet Lead Members advised the Committee that the Department's budget over the next four years would reduce from £75 million to £56 million. In seeking to address this, the Department had looked carefully at its operation with the view to generating efficiency savings, thereby reducing the impact on services. Given the scale of the savings required, this has not been possible and some reduction in services was necessary;

Arising from discussion the following points were raised:-

Growth

- (i) Item G13 – Special Educational Needs transport client numbers and costs – The Committee was advised that the increase in cost was largely attributable to young people with more complex and challenging needs using the service. A review was currently under way to get a better understanding of those needs and the cost pressures;
- (ii) Item G14 – Landfill Tax – annual increase linked to RPI - The impact of Landfill Tax on the County Council's budget was noted and members urged that efforts should continue to ensure that the Government was made aware of its impact;
- (iii) Item G15 – Recycling and Reuse credits – The Director undertook to provide a breakdown of waste by district (*copy attached as an appendix to this minute*). He advised that although the level of recycling in Leicestershire was higher than

elsewhere, tonnage of waste per household going to landfill was also higher. Work was under way to understand the reasons for this;

Savings – Highways and Transport

- (iv) Item D41 – Managing demand within transport services – The savings were accruing as a result of lower usage by concessionary pass holders and a small drop in demand for school transport;
- (v) Item D43 – Revised target operating models to align the Department with emerging commissioning – The Director advised that, given the significant reduction in the budget for the Department, there would be a need to undertake a review of management arrangements to deliver savings. Discussions were due to be held with the relevant trade unions and the staff concerned and he was unable to provide detail at this point;
- (vi) Item D49 – Home to school transport – The Director advised that those on low income would still be entitled to a reduction in the charges levied;
- (vii) Item E41 – Revised commissioning strategy for Road Safety, Cycle Training and School Crossing Patrols – The Director advised that the proposals for school crossing patrols would not come into effect until 2018/19. Work would commence on obtaining usage data and to identify whether there were physical measures nearby or that could be put in place. A risk assessment of any proposal to remove crossing patrols would also be carried out. The Department would also look to work in partnership with schools to ensure that pupils arrived safely at school. Other options to be considered would include sponsorship;
- (viii) Item E42 – Review of Highway Authority planning processes – The Director advised that, subject to some further work on the current review being undertaken, he would seek to deliver this saving as soon as was practical;
- (ix) Item E43 – Public Bus Services – The current level of subsidy for the supported bus network was approximately £3.1 million per annum. This would reduce by £2 million per annum. A further review would need to be undertaken of the Council's policy. It was likely that scheduled bus services would be replaced by demand-responsive transport;
- (x) Item 44 – County-wide parking strategy – The current charge for residential parking was £40 per annum. This rate would be reviewed, as would the feasibility of extending charging for on-street parking;

Savings – Environment

- (xi) T6 – Revised payment mechanism on recycling credits – The Director advised that this related to discussions that had already taken place with district councils regarding using County Council facilities for green waste. In relation to the impact of any charge that district or borough councils might introduce, the Director indicated that there was no evidence to suggest that the introduction of such charges would adversely affect recycling rates;

- (xii) T6 - Review of Recycling and Household Waste Site (RHWS) provision – With regard to the issue of fly tipping resulting from a reduction in opening times at RHWS's, the Director advised that the County Council would work closely with the district councils as they had statutory responsibility for dealing with fly tipping. The Director would monitor the impact of the reduction of opening times on fly tipping and how best this could be mitigated through a whole systems approach;
- (xiii) E46 – RHWS – reduce provision to minimal levels – The Director and Cabinet Lead Member advised that the County Council provided a service well in excess of the statutory requirement. There were no plans to close any of the RHWS's but rather further review operations to achieve the £500,000 reduction in costs;
- (xiv) E48 – County-wide food waste collection and treatment scheme – The cost to the County Council of one tonne of residual waste was £100 as compared to £23 for dealing with food waste. The feasibility study referred to in the report would seek to identify whether it was possible to introduce a food waste collection system which would cost less than £60 per tonne;
- (xv) E49 – Increase reuse at RHWS – Members welcomed the initiative to increase reuse at RHWS's which would not only generate a saving but would also provide opportunities for some job creation;

Capital Programme

- (xvi) The Director advised the Committee that, whilst the Capital Programme for the coming year was significant, there was a substantial reduction towards the later period of the four-year MTFS. This coupled with the reduction in the funding for improvement schemes, down from £4.2 million to £2.7 million, was concerning. He advised the Committee that the Government had changed its approach to capital funding and there were opportunities for local authorities to justify further capital allocation under the Incentive Fund and to bid for the Challenge Fund. The Department would explore the feasibility of so doing;
- (xvii) The Cabinet Lead Member drew attention to the funding available from the Single Local Growth Fund and the five strategic schemes to be delivered, as set out in paragraph 22 of the report;
- (xviii) With regard to street lighting, the Finance Business Partner for Environment and Transport advised that the business case was subject to change following a procurement exercise. However, it was currently anticipated that the majority, £22.5 million of £25 million, would come from capital receipts and capital reserves, with £2.5 million being top-sliced from the Local Transport Plan settlement;
- (xix) With regard to road markings members were advised that this was dealt with through the highway maintenance revenue budget rather than the Capital Programme.

RESOLVED:

- (a) That the report and information provided be noted;
- (b) That the proposed Capital Programme be welcomed;
- (c) That the comments made at the meeting be forwarded to the Scrutiny Commission for consideration at its meeting on 28 January 2015.