

**HIGHWAYS, TRANSPORTATION AND WASTE
MANAGEMENT SCRUTINY COMMITTEE**

26TH JANUARY 2005

REVENUE BUDGET 2005/06

Highways and Transportation

Growth – Cost Pressures

The Committee was advised that the proposed budget included significant growth related to:-

- i) inflationary increases in energy costs, insurance and higher contract prices for public transport;
- ii) loss of income from public utilities and developer fees. With regard to public utilities it was anticipated that the regulations arising from the Traffic Management Act would assist the authority in managing the situation.

In response to questions from members, officers highlighted the difficulties caused by the volatile nature of the oil market, pressure on wages for those in the transport industry and enhanced specifications for transport vehicles. The County Council did ensure that transport contracts remained good value for money.

Growth – Service Improvements

The main area of service development was the introduction of Highways Patrol Units building upon the Roadline initiative and improving the responsiveness of the service.

The Department was continuing to improve its communication and customer care and had also established District based Highways Forums. However, this placed extra pressure on the revenue budget in terms of servicing such bodies and other requirements. These initiatives will be subject to ongoing development and review.

Savings

The efficiency savings of £818,000 would be achieved through various means including careful management of vacancies, overtime, administration costs and as a result of the on-going savings arising from the organisational review undertaken last year. Managing vacancies was a key element as approximately 60% of the staffing budget is rechargeable to the capital programme.

It was proposed to reduce the structural maintenance budget by limiting the inflation increase to 2.5%. This would reduce the revenue budget for highway maintenance by £408,000. However for 2005/06 the spend on highway maintenance would continue at previous levels because an equivalent amount has been capitalised. This had been possible because of a one-off grant from Sustrans to support schemes already identified in the Integrated Transport Block. The FSS increase for Highways maintenance in 2005/06 was 4.1%. The indicative FSS for 2006/07 and 2007/08 was for no increase (0%).

Waste Management

The Committee was advised that the proposed budget included significant growth mainly relating to increased demand or subject to new legislation. These included:-

- i) the increase in landfill tax by £3 to £18 per tonne;
- ii) the cost of meeting the new regulations for the disposal of electrical goods, tyres and hazardous waste;
- iii) increased payments of recycling credits to District Councils;
- iv) extra haulage costs in transporting waste given the imminent closure of the Narborough and Bradgate landfill sites;
- v) improvements to the management and operation of Recycling and Household Waste sites.

Part of this growth is offset by reduced tonnages to landfill as a result of County and district recycling initiatives.

CAPITAL PROGRAMME 2005/06 – 2007/08

The Chief Executive advised the Committee that Dr. M O'Callaghan CC had presented a petition to the Director of Highways, Transportation and Waste Management concerning the Asfordby Road Safety Scheme. He has also asked that this issue be brought to the attention of the Committee at its meeting, with a request that provision be made in the 2005/06 budget for this scheme to be undertaken.

Members were advised that such schemes were funded from the Integrated Transport Schemes allocation in the Capital Programme. Consultation on the Asfordby Road Safety Scheme was being undertaken and once designed would be considered alongside other priorities to be funded from the Capital Programme. A report on this matter would be submitted to a future meeting of the Committee.

Highways and Transportation

The LTP settlement in 2005/06 was significantly lower than the previous year. The bids for funding the Earl Shilton by-pass and the Leicester West Park and Ride had not been approved. This was in part due to a national shift in resources away from road to rail. Only 8 out of the 46 major highway schemes submitted nationally had been approved.

The provisional LTP would be submitted in July 2005 and it was hoped that Leicestershire could attract additional funding from the new performance related element.

Additional investment was required for the introduction of the decriminalisation of parking enforcement. Discussions were underway with all District Councils on how the scheme would operate. It was hoped that the initial set up costs could be recouped over a four year period.

The Capital Programme makes some provision for the replacement of lighting columns. Further work was underway to identify potential sources of funding, including contributions from advertising, to accelerate the replacement programme.

Waste

No provision had been made for a final disposal treatment facility in the current capital programme. The Waste Management Strategy had identified the need to focus, in the first instance, on improving partnership arrangements with the seven districts including improving collection and recycling regimes and commissioning a new MRF facility. That strategy recognised the need to develop plans to identify treatment facilities during 2005/06 with a view to such facilities being operational in 2010.

DECISIONS

- (a) That the Revenue Budget 2005/06 and Capital Programme 2005/06 to 2007/08 be noted;
- (b) That the Scrutiny Commission and Cabinet advised that the Committee:
 - (i) is concerned about the potential decrease of highways maintenance funds in 2006/07 and 2007/08 and the impact this would have on the road network and ability to tackle the maintenance backlog.
 - (ii) in the light of the increasing cost pressures in waste management and despite good progress on recycling and composting, is of the view that the utmost urgency should be given to:-
 - identify and procure final waste disposal treatment facilities as the key alternative to landfill;
 - identify the key steps to achieve further integration of District collection and County disposal services including a joint financial framework.