

ENVIRONMENT AND TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE
21 JANUARY 2016

MEDIUM TERM FINANCIAL STRATEGY 2016/17 – 19/20

MINUTE EXTRACT

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources on the proposed Medium Term Financial Strategy (MTFS) for the period 2016/17 to 2019/20 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 to the meeting the Cabinet Lead Members for Highways and Transport, Waste Management and Environment respectively, Mr. P. C. Osborne CC, Mr. B. L. Pain CC and Mrs. P. Posnett CC.

In response to consideration of the issues and questions from the members of the Committee, the following points were noted:

Overall Context

The Director and Cabinet Lead Members in introducing the report drew attention to the extremely challenging financial position facing the County Council. Over the next four years the County Council would need to save £78million, of which £19 million had yet to be identified. It was noted that the Council already achieved savings in excess of over £100million.

Transformation

The Department was embarking on creating an integrated delivery function based around strategic and operational commissioning which would operate much like a commercial entity. Services would be retained in-house where it made financial sense to do so.

The Director indicated that a number of projects in the Capital programme were “invest to save” and included the conversion to LED street lighting and investing in the Department’s fleet of vehicles in order to reduce future maintenance costs.

It was noted that the Department’s budget was reducing from £69.5million to £58.2million and this would be unachievable without significant service reductions. The Department had been restructured from the top tier of management down to team leader level already, with the remainder of the Departmental restructuring to be completed by August 2016.

There would be significant challenges in respect of housing and economic growth and the Department would remain proactive in bidding for funding through the Local Growth Fund.

Growth

(i) Item G15 - Special Educational Needs (SEN) transport increased client numbers/costs: £550,000 in 2016/17 rising to £1,640,000 from 2019/20

It was noted that every effort was being made to ensure that the County Council's fleet of vehicles was used instead of contracting taxis, where this was possible and represented best value. A review was being undertaken aimed at increasing the number of shared journeys, though this would not be possible with all journeys and a robust risk assessment process would remain in place.

In response to a suggestion made, the Director undertook to ensure that hedge purchasing of fuel would be included within the scope of the review.

(ii) Item G16 - Landfill tax – annual increase linked to Retail Price Index (RPI): £180,000 in 2016/17 rising to £625,000 from 2019/20

Charging for landfill waste had previously been rising year-on-year at around £8 per tonne but more recently was increasing by RPI (the charge for the current year was £82.60 per tonne). In response to concerns expressed about the unfairness of the Landfill Tax, the Cabinet Lead Member indicated that representations had been made to the Government in regard to how the revenue from this tax could be better used.

Savings

(ii) Item ET1 - Street Lighting – expected savings from conversion to LEDs including consideration of any further switching off, dimming and part night lighting: £750,000 in 2016/17 rising to £1,750,000 from 2018/19

It was felt that LED lights had been bulk procured at a time when the price was right to make the project value for money. There had been a delay in implementing conversion as a result of a lack of resource to carry out the necessary design work. However the central management system and base stations were in the process of being installed and the project would be back on track by the end of 2016/17.

(iii) Item ET2 - Revised approach to Highways Activities (Looking after Leicestershire): £1,385,000 in 2016/17 rising to £4,405,000 from 2018/19

It was noted that there would be an increased emphasis on meeting resident's needs rather than their desires and where activities would have a well evidenced and strong economic or safety impact, which was in-line with Government policy. It was felt that, despite the reduction in funding, the majority of targets in the Local Transport Plan would be met but would be

refreshed as part of the development of the Department's Commissioning Strategy.

The Director indicated that it was his intention to retain a robust staff resource for assessing service requests, as a result of what would likely become an increasing need to evidence why requests would not be carried out.

(iv) Item ET6 - Revised approach to flooding schemes: £250,000 from 2016/17

Despite the flooding experienced in the north of the country, Leicestershire had been lucky not to have experienced significant problems over the last year. Despite the reduction in revenue funding available for flooding schemes the Committee was reassured that the total funding available for flooding schemes has been protected but this would reduce the funding available for road maintenance. However the Director reminded members that the County's roads were some of the best in the country. The Department remained committed to investing in solutions to flooding which could be assisted by works to the highway.

(v) Item ET8 - Review of road safety strategy and provision: £410,000 in 2016/17 rising to £800,000 from 2018/19

The emphasis of the Review would be on improved joint-working with partners with a view to achieving increased income and more efficient evidence-led service delivery. The Committee was assured that there was no intention to stop school crossing patrols as part of this proposal, and these would only be affected where alternative facilities were provided

(vi) Item ET11 - Public Bus Services – revised policy on subsidised transport: £2,000,000 from 2018/19

Some concern was expressed in regard to the impact of this saving on residents, particularly those in more isolated rural areas.

In response to a suggestion that the Park & Ride travel arrangements between the County and the City should be reviewed alongside the public bus service review, the Cabinet Lead Member assured members this would also be within the scope of this work and would remain under review.

(vii) Item ET12 - County wide parking strategy including residents' parking permits and consideration of charging for on-street parking: £600,000 from 2018/19

Concerns were expressed that any increase in charges for residents' parking permits could lead to many choosing not to renew and thus leaving the Council with an unachievable saving. The Director responded by suggesting that, whilst it was unlikely that residents' parking permits would see a significant increase, the current annual rate of £40 would need to be

benchmarked against other authorities. Detailed business cases would need to be developed for this project and would be reported to the Committee at the appropriate time.

(viii) Item ET22 - Revised payment mechanism for recycling credits for dry materials (net savings): £1,030,000 from 2018/19

The Cabinet Lead Member suggested that one option which was being considered was for the County Council to provide a facility to deal with dry materials which would mean that the payment of recycling credits to the district councils for these materials would no longer be necessary.

Some members felt that this would add a cost burden to the district councils at a time when all in local government were facing huge financial challenges. Subsequently, the Lead Member indicated that significant savings could potentially be harnessed by all parties through the creation of a single waste authority for the County and districts. However despite a lengthy dialogue between the County Council and the district councils no progress had been made with only two of the seven district councils having expressed an interest in moving the matter forward.

Capital Programme

(ix) Strategic Economic Plan (SEP) Funding

The Committee joined the Director in congratulating his staff for securing significant funding for major transport schemes.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments of the Committee be forwarded to the Scrutiny Commission for consideration at its meeting on 27 January 2016;
- (c) That the Committee expresses its support for the creation of a single waste authority.