



CABINET – 19 APRIL 2016

**ENVIRONMENT AND TRANSPORT INTERIM COMMISSIONING
STRATEGY**

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to present the Environment and Transport Interim Commissioning Strategy for the period 2016 to 2018 for approval, and agreement to consult on its implementation as required. The report also seeks agreement for the Director of Environment and Transport to undertake consultation and engagement with key stakeholders to inform the development of a new final Commissioning Strategy from 2018 onwards. The report provides specific information relating to the Environment and Transport Department and complements the Council-wide planning and commissioning intentions paper which is also on the agenda for this Cabinet meeting. The draft Interim Commissioning Strategy is appended to this report.

Recommendations

2. It is recommended that:
 - (a) The Environment and Transport Interim Commissioning Strategy and associated Action Plan be approved subject to the Director of Environment and Transport, following consultation with the Cabinet Lead Member, being authorised to agree any minor amendments considered necessary, including any changes arising from its consideration by the Cabinet prior to publication;
 - (b) The Director of Environment and Transport be authorised -
 - (i) following consultation with the Cabinet Lead Member, to undertake consultation as required to implement the Action Plan attached to the Environment and Transport Interim Commissioning Strategy;
 - (ii) to undertake consultations and engagement with key stakeholders, having regard to emerging partner strategies as necessary, to inform the development of a final Environment and Transport Commissioning Strategy for the period from 2018 onwards.

Reason for Recommendations

3. The recommendations are made in order to ensure that the Environment and Transport Department is able to publish its Interim Commissioning Strategy in April 2016. This will form the foundation for the development of the final Commissioning Strategy and the MTFS service reviews.

4. The Interim Strategy will form the foundation for the development of a final Commissioning Strategy and the MTFs Service reviews which will enable a new model for delivering environment and transport services to be developed and implemented to fulfil statutory duties, meet savings and efficiency targets and provide a basis for commissioning and delivering services.

Timetable for Decisions (including Scrutiny)

5. This report was considered by the Environment and Transport Overview and Scrutiny Committee on 7th April 2016 and its comments will be reported to the Cabinet.
6. Subject to the Cabinet's approval the Interim Strategy will be published before the end of April 2016.

Policy Framework and Previous Decisions

7. The Transport Act 2008 requires local transport authorities to outline how they plan to deliver an effective transport system. The County Council, which is the local transport authority for Leicestershire, meets this requirement by producing a Local Transport Plan (LTP).
8. The current LTP (LTP3) was adopted by the County Council on 23rd March 2011 and covers the 15-year period from 2011 to 2026. It consists of two parts:
 - i. The long-term strategy (2011-2026), which sets out the Department's strategic long term transport goals and objectives. To ensure that it remains fit-for-purpose the strategy will be reviewed at the same time as the final Commissioning Strategy is being developed (April 2016 to April 2018);
 - ii. Shorter-term implementation plans, which are refreshed annually. These set out what will be done to help deliver the long term strategy. The action plan contained within the Interim Commissioning Strategy will replace these implementation plans.
9. The Department's other key plans and strategies (for example, the Environment Strategy (2011-21), Carbon Reduction Strategy (2013-20) and the Leicestershire Municipal Waste Management Strategy (2002-20)) will also be assessed and reviewed where necessary during the development of the final Commissioning Strategy to ensure that they remain fit for purpose.
10. In developing the draft Interim Commissioning Strategy, consideration was given to the MTFs 2016/17 to 2019/20 which was approved by the County Council on the 17th February 2016 which had been considered by the Cabinet on 12th January 2016, the County Council's Strategic Plan 2014–2018, the associated Transformation Programmes and the County Council's Commissioning and Procurement Strategy.

Resource Implications

11. The actions outlined in the Interim Commissioning Strategy includes an Action Plan which outlines actions that will be funded from a variety of sources, including capital and revenue budgets and external sources of funding, such as the Government's Single Local Growth Fund.

12. Development of the final Commissioning Strategy, and work contained within the Strategy, will be resource intensive, both in staff and financial terms. Given the Departmental reorganisation and significant financial challenges that the Authority faces there will be little opportunity for the Department to take on other commitments without affecting its ability to deliver the actions and schemes set out in the draft Interim Commissioning Strategy.
13. The Director of Corporate Resources and the County Solicitor have been consulted on this report.

Circulation under the Local Issues Alert Procedure

14. None.

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PART B

Background

15. The County Council is facing significant financial, demographic and service demand challenges. The 2016/17-2019/20 Medium Term Financial Strategy (MTFS) is probably the most challenging since the County Council was established over 40 years ago.
16. The Authority needs to find savings of £58.8m over the next four years (2016 to 2020), with £26.7m of these savings to be made in 2016/17. This is a challenging task, especially given that savings of £100m have already been delivered over the last five years. Furthermore, although with these savings the MTFS is balanced in 2016/17, there is a shortfall of £0.6m in 2017/18 rising to £19.5m by 2019/20, giving a total of £78.3m to be found across the Council. There are a number of service reviews in the pipeline which will aim to bridge this gap which will need to start to deliver savings by 2017/18.
17. In addition to the savings required in the MTFS, demand for services and the cost of providing them are predicted to rise, exacerbating the financial challenge. As an example, the cost of waste disposal is predicted to increase significantly over the lifetime of the MTFS mainly due to landfill tax and projected increases in household waste caused by population and economic growth. Other demands relate to a growing and ageing population and a large increase in school age children.

Environment and Transport response to challenge

Commissioning Strategy

18. To help meet these challenges it is vital that effective commissioning, procurement, performance and contract management continue to be developed. In order to ensure that a robust and consistent approach is adopted for commissioning activity across the County Council a corporate Commissioning and Procurement Strategy was introduced during 2014/15.
19. In turn, each of the Council's departments, including Environment and Transport, was required to develop and introduce a departmental Commissioning Strategy to set out how resources will be used to help provide services to residents of Leicestershire in the most effective way.
20. The Environment and Transport Department is not currently in a position to publish a final version of the Commissioning Strategy because, in the light of the changes in circumstances since many of the Department's current plans and strategies (see below) were developed, a significant amount of work is required to assess the range of services that it provides, the impact of these services (e.g. the benefits that they provide in practice), whether they are being provided in the most effective way, and what changes are required.

Interim Commissioning Strategy

21. An Interim Commissioning Strategy has therefore been produced which sets out the current position and the things that the Department intends to do going forward until 2018.

22. The Interim Commissioning Strategy reflects the Department's key plans and strategies (including, for example, LTP3, the Environment Strategy, the Carbon Reduction Strategy and the Leicestershire Municipal Waste Management Strategy) whilst also taking account of the Council's future priorities and the Leicester and Leicestershire Enterprise Partnership's (LLEP) Strategic Economic Plan.
23. Until such time as the 'final' version of the Commissioning Strategy has been developed, these current key plans and strategies remain in place, although with the caveat that the Department's ability to deliver on its goals, objectives and outcomes is impacted greatly by the Authority's unprecedented financial position.
24. The Interim Strategy will provide a transitional framework, helping the Department to move towards a position where it can deliver services within the constraints imposed by significant financial challenges by prioritising the goals, objectives and outcomes of the key plans and strategies into deliverable actions aligned to available resources.
25. The draft Interim Commissioning Strategy contains:
 - (a) An Action Plan which:
 - i. Sets out the actions to be taken to deliver priorities for the coming years;
 - ii. Actions to develop the final Commissioning Strategy;
 - (b) The 2016/17 Capital Programme.
26. Work to develop the final Commissioning Strategy will include an assessment of the existing LTP3, Environment Strategy, Carbon Reduction Strategy and Leicestershire Municipal Waste Management Strategy. Work will also include a series of service reviews to assess services in light of the need to deliver MTFS savings.
27. It is currently expected that it will be possible to develop a final Environment and Transport Commissioning Strategy for submission to the Cabinet in April 2018.
28. The Interim Commissioning Strategy contains an Action Plan, which sets out the actions that will be taken in the short term to help deliver the Department's priorities.
29. This Action Plan will replace the LTP3 Implementation Plan and Environment Service Plan.
30. Most of the available capital monies available to the Department have already been committed to meet integrated transport requirements to match Government funding for transport schemes. The award of £27.6m from Single Local Growth Fund (SLGF) funding (total cost £36.2m) will enable the County Council to continue work to deliver the following major transport schemes:
 - Leicester North West Major Scheme (£19m)
 - Lubbethorpe Strategic Employment Site Access (£5.1m)
 - Hinckley Area Project, Phases 2 and 3 (£5.5m)
 - A511 corridor: M1 Junction 22 (£3.6m)
 - A511 corridor: A42 Junction 13 (£3m)
31. As the Environment and Transport Department undergoes a major restructure throughout 2016, the development and delivery of such committed projects will be given priority. This could result in changes to other projects and services.

32. This approach is not without risk, particularly where the Department is unable to progress studies and option assessment work to inform future programme development or bids for future funding. The Department will continue to seek to manage resources to mitigate such risks, so far as is reasonably possible.
33. The key actions outlined in the Action Plan include:
- a) the continued delivery of Strategic Economic Plan (SEP) schemes;
 - b) delivery of a programme of works to manage and maintain the network
 - c) the continued development of future schemes;
 - d) maximising the benefits of partnership working, utilising external funding;
 - e) delivery of the programme of section 106 (developer-funded) schemes;
 - f) further development of the evidence base to support the development of the permeant Commissioning Strategy;
 - g) work to encourage active and sustainable travel;
 - h) meeting the Council's obligations as a Waste Disposal Authority;
 - i) minimising the impact of the Council's activities on the environment.
34. The Interim Commissioning Strategy has been prepared using the best information available at the present time. Going forward, it is important to be flexible, making revisions as necessary to ensure value for money and the ability to respond to changing circumstances.

Third Party Work

35. The Interim Commissioning Strategy also details the Department's approach to involvement with third party projects, including working with:
- a) District councils and developers, to help plan for/deliver housing growth and new employment sites, e.g. Sustainable Urban Extensions, MIRA Technology Park and East Midlands Gateway;
 - b) Highways England and other parties, to deliver improvements to the strategic road network;
 - c) HS2 Ltd, to safeguard the interests of Leicestershire;
 - d) Network Rail, to achieve the successful implementation of improvements to the Midland Main Line and its electrification.

Consultations

36. No external consultations have been undertaken on the Interim Commissioning Strategy. However, it is proposed that consultations will be undertaken during the development of the final Commissioning Strategy, the timetable of which is still being developed.
37. These consultations will involve the key stakeholders within the Leicester and Leicestershire economic area. The final Commissioning Strategy will be heavily influenced by and reliant on working with partners to ensure that appropriate infrastructure support is in place to enable agreed key priorities. As such, the final permanent Commissioning Strategy will need to have regard to policies and priorities of key partners such as the City Council, LLEP, District Councils, and the new Leicester and Leicestershire Combined Authority as well as national bodies such as the Highway Authority, Network Rail etc.

38. Individual environmental and transport improvement schemes will continue to be subject to consultation with local members and the public, and reports will be considered by the relevant Committees and the Cabinet, as appropriate.
39. In addition, consultations on the actions detailed in the Interim Commissioning Strategy will be undertaken as required at an appropriate point in their development.

Background Papers

Report to Council 17th February 2016 - Medium Term Financial Strategy 2016/17-2019/20
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MId=4427&Ver=4>

Leicestershire County Council's Local Transport Plan 3 (LTP3)
http://www.leics.gov.uk/ltp3_m0830.pdf

Leicestershire County Council - Environment Strategy
<http://ow.ly/10lBok>

Leicestershire County Council – Carbon Reduction Strategy
<http://ow.ly/10lBsa>

Leicestershire Municipal Waste Management Strategy
<http://ow.ly/10lBvM>

Appendix

Draft Environment and Transport Interim Commissioning Strategy

Relevant Impact Assessments

Equality and Human Rights Implications

40. Many aspects of the draft Interim Commissioning Strategy are directed towards the needs of disadvantaged people. No detailed equality assessment has been undertaken on the Interim Commissioning Strategy, but Equality and Human Rights Impact Assessments (EHRIA) will be undertaken, as appropriate, during the development of the final Commissioning Strategy and during the review of any appropriate departmental strategies, prior to final decisions being made.
41. This will ensure that any new, proposed or significantly changed policies, practices, procedures, functions or services are assessed for equality and human rights implications.
42. In addition, work undertaken on individual environment and transport projects contained within the Interim Commissioning Strategy, such as MTFs service reviews will include EHRIA when appropriate.

Crime and Disorder Implications

43. The Authority continues to recognise the importance of seeking to address fear of crime issues and emphasises the importance of implementing policies and measures, such as new transport infrastructure, to ensure that it provides safe, high quality environments.

Environmental Implications

44. No detailed environmental assessment has been undertaken on the Interim Commissioning Strategy. However, the County Council will assess the environmental implications of relevant new policies and schemes at appropriate points during their development.

Partnership Working and Associated Issues

45. As set out in the report, working with key partners, such as the Leicester and Leicestershire Enterprise Partnership (LLEP), Leicester City Council, district councils, Highways England, Network Rail and developers will be increasingly important in seeking to provide additional funding to deliver future transport measures and infrastructure.
46. In addition, the Communities Strategy sets out how the Council will work differently with communities and organisations to help deliver the most important services and protect the most vulnerable people and communities. Going forward, changes to the way in which the Council delivers transport services is likely to result in a greater emphasis being placed on building community capacity.

Risk Assessment

47. The Interim Commissioning Strategy has been risk assessed and the key risks are set out in the Risk Register which is appended to the Strategy.
48. The delivery of the Interim Commissioning Strategy is supported by the Department's business planning process and risk assessments will be undertaken for individual teams, schemes and initiatives as appropriate.