



CABINET – 10 MARCH 2017

**ENVIRONMENT AND TRANSPORT INTERIM COMMISSIONING
STRATEGY 2017/18 REFRESH**

REPORT OF THE DIRECTOR OF ENVIRONMENT AND TRANSPORT

PART A

Purpose of the Report

1. The purpose of this report is to seek approval for the refreshed Environment and Transport Interim Commissioning Strategy and Action Plan for 2017/18, appended to this report.
2. The Interim Commissioning Strategy and Action Plan provide a framework for service delivery by the Environment and Transport Department over the next year.

Recommendation

3. It is recommended that:
 - (a) The Environment and Transport Interim Commissioning Strategy 2017/18 Refresh and Action Plan be approved;
 - (b) The Director of Environment and Transport be authorised to make such minor amendments to the Interim Commissioning Strategy 2017/18 Refresh and Action Plan as he considers to be necessary, following consultation with the appropriate Cabinet Lead Member.

Reason for Recommendations

4. The recommendations are made in order to ensure that the Environment and Transport Department is able to publish its Interim Commissioning Strategy 2017/18 Refresh in April 2017. The Interim Commissioning Strategy 2017/18 Refresh and associated Action Plan provides a basis for the development of detailed departmental Head of Service and Team Plans which outline how the Department will develop and deliver services to fulfil statutory duties and deliver savings and efficiency targets.
5. The draft Interim Commissioning Strategy 2017/18 Refresh has been prepared on the basis of information available and may need to be revised to respond to changing circumstances and ensure optimal use of resources.

Timetable for Decisions (including Scrutiny)

6. This report will be considered by the Environment and Transport Overview and

Scrutiny Committee on 2 March 2017 and its comments will be reported to the Cabinet.

7. Subject to the Cabinet's approval, the Interim Commissioning Strategy 2017/18 Refresh will be published in April 2017.

Policy Framework and Previous Decisions

8. The Environment and Transport Interim Commissioning Strategy and associated Action Plan was approved by the Cabinet on 19 April 2016.
9. The Department's key plans and strategies were taken into account when developing the Interim Commissioning Strategy and subsequent refresh. These include:
 - the Local Transport Plan (2011 to 2026) – adopted by the County Council 23 March 2011
 - the Environment Strategy (2011-21) – approved by the County Council 28 September 2011
 - the Carbon Reduction Strategy (2014-20) – approved by the Cabinet 15 July 2014
 - the Leicestershire Municipal Waste Management Strategy Update 2011 – approved by the County Council 23 May 2012.
10. In refreshing the Interim Commissioning Strategy consideration was also given to the Medium Term Financial Strategy 2017/18 - 2020/21(MTFS), which was agreed by the County Council on 22 February 2017, the County Council's Strategic Plan 2014 – 2018, associated Transformation Programmes, and the Council's Commissioning and Procurement Strategy.

Resource Implications

11. The actions outlined in the refreshed Interim Commissioning Strategy Action Plan 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. Further detail on the financial context is given in Part B of this report below.
12. The programme of work in the refreshed Interim Commissioning Strategy Action Plan is resource intensive, both in staff and financial terms. Given this and the significant financial challenges that the Authority continues to face, there is little opportunity for the Department to take on other commitments without affecting its ability to deliver the actions and schemes set out in the refreshed Interim Commissioning Strategy.
13. The Director of Corporate Resources and the Director of Law and Governance have been consulted on this report.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

Policy and Strategy

14. The Interim Commissioning Strategy 2017/18 Refresh reflects the Department's current key plans and strategies (including the Local Transport Plan - 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.
15. The Interim Commissioning Strategy Action Plan supersedes the previous LTP3 Implementation Plan. However, by virtue of the Transport Act 2008 local transport authorities are still required to outline how they plan to deliver an effective transport system; the County Council does this by continuing to retain its LTP3 Long Term Strategy.
16. Whilst the LTP3 Strategy continues to remain in effect for the time being, elements of it will gradually be superseded as service reviews are completed and new policies and strategies (e.g. in respect of asset management) are adopted. It is probable that the LTP3 Strategy will be replaced ultimately by a suite of documents, as opposed to a single 'LTP4'.
17. In 2016/17, the Council commenced the development of a single outcomes framework for the Authority. This framework will focus on the difference the Authority wants to make for citizens, communities and businesses.

Financial context

18. The County Council is facing significant financial, demographic and service demand challenges.
19. The Authority needs to deliver savings of £68 million over the next four financial years (2017/18 to 2020/21), with £16 million savings to be made in 2017/18. This is a challenging task especially given that savings of £161 million have already been delivered over the last seven years. In addition, over the period of the MTFS, growth of £25m is required to meet demand and cost pressures with £5m required in 2017/18.
20. In the Environment and Transport (E&T) Department, the revenue budget for 2017/18 is £65.3m, with £11.2 million savings to be delivered over the next four years.
21. The main four-year savings are:
 - a revised approach to Highways Maintenance
 - street lighting – conversion to LED lighting
 - reviewing contracts and ensuring all income sources to which the Council is entitled are fully realised
 - making savings to non-statutory services
 - working with partners to consider other ways of funding services, especially in

relation to road safety

- internalising the management of the Recycling and Household Waste Sites
- revising the payment mechanism for recycling credits
- developing a future residual waste strategy.

22. In particular, by 2019/20, £3.5 million of ongoing savings need to be made by the Council through a revised approach to highways maintenance. Reducing budgets will require a change to the treatment strategies applied to highway assets.
23. The level of funding available for preventative (e.g. surface dressing and slurry sealing) and restorative and renewal works (e.g. resurfacing and reconstruction) for carriageways and footways continues to decline relative to, say, reactive works. This represents a long term financial risk to the Authority, i.e. the greater the level of deterioration of transport assets the greater the ultimate cost to address the problem. However at this point the RCI¹ figures for Leicestershire continue to show that its roads are in good condition.
24. In addition, over the period of the MTFS, growth of £1.8 million is required to meet demand and cost pressures within the Environment and Transport Department. As an example, the cost of waste disposal is predicted to increase significantly during this period, mainly due to landfill tax and projected increases in household waste, due to population and economic growth. Growth is also provided to fund the significant increase in costs of Special Educational Needs transport due to increase in pupil numbers.
25. The Department's ability to deliver on its goals, objectives and outcomes has been affected greatly by the Authority's unprecedented financial position. The Department's future commissioning intentions and outcomes are likely to have a significantly different emphasis than they have in the past.

Interim Commissioning Strategy 2017/18 Refresh - Summary

26. The refresh has taken place against the backdrop of the circumstances outlined above. The Interim Commissioning Strategy and Action Plan will provide a transitional framework to help the Department to deliver services within the significant financial constraints.
27. The draft Interim Commissioning Strategy 2017/18 Refresh has been prepared using the best information available and will be revised as necessary to ensure value for money and respond to changing circumstances.
28. The Interim Commissioning Strategy contains:
 - a) programmes of actions which set out priorities for the coming year(s) – it is important to note that the programme contains actions that may take place over a number of years or which may not be implemented until beyond 2017/18
 - b) the Transport Asset Management capital and revenue programmes.
29. Key actions outlined in the Action Plan include:

¹ In England the SCANNER Road Condition Indicator (RCI) is the method used to calculate performance indicators for the reporting of condition of the classified road network.

- a) the continued delivery of Strategic Economic Plan (SEP) schemes;
- b) the continued development of future schemes;
- c) maximising the benefits of partnership working, utilising external funding;
- d) delivery of the programme of section 106 (developer-funded) schemes;
- e) further development of the evidence base to support the development of the final Commissioning Strategy;
- f) meeting the Council's obligations as both a Waste Disposal and Highway Authority
- g) minimising the impact of the Council's activities on the environment
- h) work to reduce waste, divert waste from landfill and optimise levels of recycling and composting
- i) work to maintain, develop, enhance and extend the provision of high quality green spaces and support an enhanced natural environment.

Consultation

- 30. Internal consultation has taken place. Individual environmental and transport improvement schemes and projects will continue to be subject to further consultation with local members and the public and reports will be made to members as appropriate.
- 31. Consultations on the various service reviews will take place at an appropriate point in their development.

Relevant Impact Assessments

Equality and Human Rights Implications

- 32. No detailed equality assessment has been undertaken on the Interim Commissioning Strategy 2017/18 Refresh but Equality and Human Rights Impact Assessments (EHRIA) will be undertaken, as appropriate, during the review of any appropriate departmental strategies, prior to final decisions being made.
- 33. This will ensure that any new, proposed or significantly changed policies, practices, procedures, functions or services are assessed for equality and human rights implications.
- 34. In addition, work undertaken on individual environment and transport projects contained within the Interim Commissioning Strategy 2017/18 Refresh, such as MTFS service reviews, will include EHRIAs when appropriate.

Environmental Implications

- 35. No detailed environmental assessment has been undertaken on the Interim Commissioning Strategy 2017/18 Refresh. 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

- 36. 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.

Risk Assessment

37. The Interim Commissioning Strategy 2017/18 Refresh has been risk assessed and the key risks are set out in the Risk Register, which is appended to the Strategy.
38. The delivery of the Interim Commissioning Strategy 2017/18 Refresh is supported by the Department's business planning process and risk assessments will be undertaken for individual teams, schemes and initiatives as appropriate.

Background Papers

Report to the Environment and Transport Overview and Scrutiny Committee on 19 January 2017 – Medium Term Financial Strategy 2017/18 to 2020/21 and minutes of that meeting
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1044&MIId=4929&Ver=4>

Report to the County Council on 22 February 2017 - Medium Term Financial Strategy 2017/18 -2020/21
<http://politics.leics.gov.uk/ieListDocuments.aspx?CId=134&MIId=4433&Ver=4>

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

Report to the County Council on 28th September 2011 – Environment Strategy
<http://ow.ly/1Vvj309am4O>

Report to the County Council in 23rd May 2012 - Leicestershire Municipal Waste Management Strategy
<http://ow.ly/mxdT309am92>

Report to the Cabinet on 15th July 2014 – Carbon Reduction Strategy
<http://ow.ly/9AbV309amcC>

Appendix

Draft Environment and Transport Interim Commissioning Strategy 2017/18 Refresh

- Annex A – Action Plan
- Annex B – Achievements
- Annex C – Delivery Programme
- Annex D – Key Performance Indicators
- Annex E – Risk Register

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