

Environment and Transport Overview and Scrutiny Committee

17th January 2019

Medium Term Financial Strategy 2019/20 to 2022/23.

Minute Extract

The Committee considered a joint report of the Director of Environment and Transport and Director of Corporate Resources which provided information on the proposed 2019/20 to 2022/23 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 Rhodes CC, the Cabinet Lead Member for Resources and Mrs Radford CC, the Cabinet Support Member to the meeting for this item..

Proposed Revenue Budget and Budget Transfers and Service Transformation

In introducing the report, Cabinet Lead Members for Resources advised members of the financial challenges facing the Council. The Revenue Support Grant would reduce from £8.5million to zero. The inflationary and demand pressures on services provided by the Council were increasing. The Cabinet had indicated that it would prioritise adult social care and children services. The Cabinet however recognised the pressures on the Environment and Transport Department and the need to provide good and sustainable services and therefore provided growth of £2million for SEN Transport, dealing with HS2 and ash dieback/forestry. The Government was looking to change the funding formula but this would not happen until 2020/21 at the earliest. It was anticipated that the funding formula would address some of the current anomalies and this might improve the Council's financial position in the future. If that were not to happen the financial outlook would be severe.

The Director advised of the significant change that had taken place across the Department to enable it to achieve total savings of £43million since 2010/11. The Department faced increasing pressures arising primarily from:-

- Higher expectations from the public about levels of service and response times;
- Increasing demand from population growth;
- Higher rates of inflation particularly within the construction sector;
- The need to respond to the growth agenda in terms of planning and bidding for infrastructure projects;
- Increasing difficulties in recruiting and retaining staff.

The savings now expected from the Department were extremely challenging. The Department and its partners were looking at smarter working and delivery and to invest to save schemes.

The growth in the staffing budget reflected the need to engage staff to help the Council develop infrastructure bids (such as the Melton Mowbray Distributor Road and Housing Infrastructure Bids) and to ensure that the Council responds to the HS2 project. With regard to HS2 the Council was seeking to mitigate the adverse impacts and maximise opportunities such as the case for classic connectivity as well as supporting businesses to take advantage of potential business opportunities.

With regard to inflation this was held centrally and allocated in-year when the position became clearer.

In response to questions and comments the Committee was advised as follows:-

Growth

G15– SEN Transport

- i) This growth was essentially to meet additional demand and the increasingly complex needs now being presented by some service users.

Savings – Highways and Transport

ET1 – Revised Passenger Transport Policy

- ii) All supported bus services would be assessed using the new criteria set out in the Passenger Transport Policy which was recently agreed by the Cabinet. It was therefore not possible to give any commitment about the future of any particular bus service ahead of the review.
{Mr Bill CC asked that it be recorded that he opposed this savings proposal as it would adversely impact bus service provision}.

ET2– Social Care and SEN Transport

- iii) The impact of the new eligibility criteria would be reviewed following 12 months of operation and the outcome reported to the Committee. Members were reminded that the policy made provision for exceptions on appeal and a contingency of 20% had been built into the budget for this purpose.

ET 3 – Review of staff absence

- iv) The proposals now outlined were supported.

ET 4 - Alternative Fleet Provision

- v) The Department was exploring options for bringing in-house some of the most expensive contracts.

Savings – Environment and Waste

ET7– Recycling and Household Waste Sites

- vi) The proposals to increase levels of re-use at household waste sites were welcomed. Members noted that a detailed report on this saving proposal would be made to the Committee in the near future.

ET8– Future Residual Waste

- vii) Members were advised that there was little likelihood of a reduction in the level of landfill tax and previous representations on the matter had not been successful.
- viii) With regard to the recently launched Government strategy document on waste, further information was still awaited on what the Government's intentions are with respect to the separate collection of food waste and this matter is to be the subject of a consultation exercise.

Savings under Development

- ix) The Department was now looking at smarter working and delivery and to invest to save schemes and had held 'brainstorming sessions' with frontline staff to explore ideas.

Other Funding Sources

- x) The impact of recently introduced Roadworks Permit Scheme would be assessed and report made to the Committee.

Capital Programme

- xi) The Department had to bid to various Government funding streams for major projects. The Government expectation was that where funding was provided there should be an element of matched funding from the local authority. Whilst S106 contributions played significant role in this it was increasingly necessary for the County Council's mainstream capital programme to provide matched funding.
- xii) Representations had been made to Government regarding the retention of fines from the speed cameras installed by the County Council as a means of funding further installations. The Leader planned to have further discussions on the matter.
- xiii) The Director indicated that she would write to Mr Bill regarding the current position on works to the Hinckley junctions.

RESOLVED:

- (a) That the report and information now provided be noted;
- (b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 24 January 2018.