

**HIGHWAYS AND TRANSPORT OVERVIEW AND SCRUTINY
COMMITTEE - 18 JANUARY 2024**

MEDIUM TERM FINANCIAL STRATEGY 2024/25 – 2027/28

MINUTE EXTRACT

Medium Term Financial Strategy 2024/25 – 2027/28

The Committee considered a joint report of the Director of Environment and Transport and the Director of Corporate Resources which provided information on the proposed 2024/25 to 2027/28 Medium Term Financial Strategy (MTFS) as it related to the Highways and Transport side of the Environment and Transport department. A copy of the report marked 'Agenda Item '8' is filed with these minutes. The Chairman welcomed Mr. O. O'Shea CC, Cabinet Lead Member for Highways and Transport, to the meeting for this item.

Arising from discussion, the following points were noted:

Growth

- (i) The financial position of the Council was both complex and sensitive. A Member commented that the growth forecasted in the report was 'frightening' and currently provided for no growth for areas such as highway maintenance in 2026/27 and 2027/28; growth being dominated by increased demand for SEN Transport.

G17 - SEN Transport

- (ii) There was substantial growth in the demand for SEN Transport, but this did not appear to be reflected in the demand for Adult Social Care Transport. Members queried whether a delayed increase in number of users for Adults Social Care Transport was being forecast. The Director confirmed that the trend for SEN transport demand was not directly translating into increased transport requirements for adults. The statutory responsibility to provide SEN Transport for children to attend school did not apply to adults and given that the eligibility criteria for adult transport services was different, this was not expected. Members noted, however, that work was taking place between departments to create a better understanding on where there could be knock on effects.
- (iii) A Member commented that to reduce the cost of SEN Transport, a key factor would be to understand where the demand for transport came from and where this was going (i.e. to which school). It was suggested that delays in the Education and Health Care Plan (EHCP) process prevented transport needs

being met as efficiently as might otherwise be possible. Some children were not able to attend the school located closest to their home and this resulted in increased transport costs. Making late arrangements for transport also added to cost and demand pressures as it was not possible to forward plan and potentially co-ordinate journeys. The Director highlighted that the Children and Families Service had been working hard to reduce the time it took to undertake an EHCP through its Transforming SEND in Leicestershire Programme, and the situation was improving but would continue to be monitored. Members noted the Children and Families Overview and Scrutiny Committee would be considering at its next meeting progress in delivering the TSIL programme.

- (vi) The Council operated an in-house transport service which was beneficial and reduced reliance on the private market. It operated a minibus fleet and deployed that as efficiently as possible. A key risk for operating an in-house service was the ability to recruit drivers. When there were a significant number of vacancies, this affected service levels and therefore having a mixed in-house and outsourced operation helped to balance and manage that risk. The position was, however, kept under constant review.
- (iv) The current outdated IT system used by passenger transport services was being replaced. Whilst this would be a big programme of work that would take time to bed in, in the longer term this would help make the service more efficient. The new system had in built route optimisation software that would enable officers to plan journeys more easily and efficiently.
- (v) The Director confirmed that the pressures regarding SEN and SEN Transport was a national issue. The Association of Directors of Children's Services (ADCS) and the Association of Directors of Environment, Economy, Planning and Transport (ADEPT) had recently submitted recommendations to Government on the changes and improvements needed. The Director undertook to circulate copies of those recommendations to Committee Members so that these could be endorsed.

Savings

ET6 (SR) Ending of HS2 Programme

- (vi) The costs incurred by the Authority in relation to the HS2 national scheme related to the small team established to work with effected communities and HS2 Limited as the project developed. The Director confirmed that no further costs had been incurred. The savings now included in the MTFS reflected that this service was no longer needed in light of cancellation of the scheme north of Birmingham by the government.

Capital Programme

- (vii) There had been a change in strategy regarding bidding for funding for infrastructure works. Government funding always required the Council to match fund any successful bid. The cost of submitting a bid could also be

substantial and there was no guarantee of success. The principal that would now be applied would be that no bid would be submitted in future if it could not be clearly demonstrated that the costs and match funding could be met without the need for Council funding.

- (viii) Developer contributions were agreed as part of the planning process for individual developments. It was proposed that in future, the inflation rate applied in those agreements would be subject to a calculation that would allow for rising inflation, given that some developments took years to come to fruition. At present, the inflation rate was set at the point of completion of the agreement. Rising inflation meant that the contributions agreed did not meet the subsequent costs incurred by the Council in delivering the agreed infrastructure. Members supported the change in approach and agreed that the level of contribution should reflect the costs being incurred at the point of delivery. Members noted that in future the Council would also not deliver the infrastructure until much later when contributions had been received rather than forward funding infrastructure.
- (xi) It was noted that the tender for works required to Zouch bridge had closed. An evaluation of those tenders would now be undertaken following which a decision would be made on how to proceed. It was too early in the process to know whether the tenders would come in within budget.

RESOLVED:

- a) That the report on the Medium Term Financial Strategy 2024/25 -2027/28 be noted;
- b) That the comments now made be forwarded to the Scrutiny Commission for consideration at its meeting on 29 January 2024;
- c) That the Director for Environment and Transport be requested to Committee Members copies of the recommendations raised by the Association of Directors of Children's Services (ADCS) and The Association of Directors of Environment, Economy, Planning and Transport (ADEPT) in relation to SEN Transport so that these could be endorsed.

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