

APPENDIX 1

EXTRACT FROM THE MINUTES OF THE EDUCATION SCRUTINY COMMITTEE HELD ON 2ND FEBRUARY 2004

Revenue Budget 2004/05 and Capital Programme 2004/05 to 2006/07

The Committee considered a joint report of the Director of Resources and Director of Education on the Education Revenue Budget for 2004/05 and the Capital Programme for 2004/05 – 2006/07. A copy of the report, marked 'B', is filed with these minutes.

Revenue Budget 2004/05

The following points emerged from discussion and questions:

- (i) Leicestershire was the lowest funded LEA, based on the calculation of Education Formula Spending Share (FSS) divided by the number of pupils. This had caused considerable difficulties for schools. Some members pointed out that this was only one element of the arrangements for funding schools and that whilst the actual increase nationally in grant from Central Government – the sum of Revenue Support Grant and National Non-Domestic Rates - was 5.9%, Leicestershire had received an increase of 6.7%. They also commented that the combination of specific grants, including the £3.7m transitional funding, would help to offset the budget problems faced by schools last year. The majority of the Specific Grants were available to all local education authorities, although some authorities received additional grant funding, such as that under the Excellence in Cities Initiative.
- (ii) The DfES had set out the guidelines for targeting the £3.7m transitional funding for schools with budget difficulties during 2004/05. In Leicestershire the four categories of schools that would benefit from the transitional funding would be:
 - Schools that had an agreed extended budget plan (ie schools that will be in deficit at 31st March 2004)
 - Schools that had used Delegated Formula Capital (DFC) in 2003/04 to avoid going into deficit.
 - Schools where there was a serious risk that the school would be in deficit in 2005/06).

- Schools that would receive significantly less funding through the SEN delegation sub-formula than the actual cost of stated support in 2003/04.

Representations had been made from some schools that this would not benefit those schools that had already taken the difficult decisions and set a balanced budget. It was noted that the funding might continue but at a reduced level of £1.8m for 2005/06.

- (iii) The 2004/05 funding allocation had been based on data from the 1991 Population Census. If the 2001 Census data had been used this could have improved the level of funding for the whole County Council by approximately £3m. The Committee supported the decision of the Cabinet to ask the Government to use 2001 Census data for determining funding in 2005/06.
- (iv) Some concern was expressed about the removal of Government funding for Drugs Education. The Director of Education indicated that some core funding would be available from the County Council to provide Drugs Education, but any additional support would have to be bought in by schools. The Committee supported the Director's efforts to find other sources of funding for Drugs Education.
- (v) The Director of Education stated that the £2,294,900 for further delegation of SEN funding to schools would be delegated in accordance with a formula that was considered robust. Certain services, particularly autism outreach services and those for students with sensory impairment, would be retained centrally. The Headteacher and Officer Working party would monitor the position and adjustments would be recommended as necessary. Following the extra delegation in 2004/05 no further delegation of SEN funding was proposed.
- (vi) The provision for inflation and pay increases for teachers should be sufficient, although the position on non-teaching staff salary increases was more uncertain. LEAs were required to increase each school's budget by about 4% per pupil as a minimum up-lift guarantee. The DfES had estimated that inflation in schools would, on average, be 3.4%.
- (vii) The growth items of £540,000 for SEN Transport and £475,000 for mainstream transport in the LEA budget were due to rising transport costs, demographic and demand pressures. These budgets would be monitored closely, but consideration might have to be given to reviewing the current policy in future years if current trends continued.
- (viii) The issue of falling rolls was beginning to diminish in primary schools but would be an issue for High Schools and Upper Schools in the next few years. Schools would be helped to manage this by being allowed to set time-limited extended budgets.

- (ix) The cost nationally of school workforce remodelling had been estimated at £1 billion. It was difficult to estimate the likely cost in Leicestershire.
- (x) The increase of £880,000 for SEN out-county placements in the Schools' Non Delegated Budget was required to address cost pressures and some increased demand. The Cabinet Lead Member for Education indicated that the review of the SEN Strategy would seek to address this by making more provision available in Leicestershire, especially for children with moderate learning difficulties, but some children's requirements could be met more appropriately and more economically by sending them to specialist schools outside Leicestershire. The Committee asked for a further report on how it was proposed to address the rising cost of out of county SEN placements.
- (xi) The growth of £240,000 in the Schools Non – Delegated Budget for preventative work with excluded children was intended to meet the Government's targets for a minimum level of home tuition from the new bases for the Student Support Service that were in the process of being developed.
- (xii) The appropriateness of making savings of £350,000 (£1m in a full year) on Community Plus from the LEA budget was questioned, given the difficulties that had arisen in discussions with community colleges about the implementation of the Best Value Review of Community Education and the current uncertainty about continued funding from the Learning and Skills Council. Concern was expressed about its impact on local communities (including voluntary groups) and colleges. Some members questioned whether this area of service provision should be reduced given the growth being provided elsewhere in the budget. The impact of this reduction, if agreed, should be monitored. In response to questions about consultation, the Director of Education advised that the views of Community Colleges had been sought.

Capital Programme 2004/05 – 2006/07

The following points emerged from discussion and questions:

- It was noted that a decision from the DfES was still awaited on additional capital resources for replacing the intergrid schools. There would be consultation with local people about the schemes for replacing these school buildings when more detailed proposals could be made.
- It was noted that the Council had submitted a Targeted Capital Fund bid for resources to replace Hinckley Dorothy Goodman Special School with a new area special school. If successful, this would be the second area special school as the new area special school in Melton Mowbray would open in September this year.

RESOLVED:

- (a) That the Scrutiny Commission be recommended to note the proposed Revenue Budget for 2004/05 and the Committee's comments.
- (b) That the Scrutiny Commission be recommended to note the proposed Capital Programme for 2004/05 – 2006/07 and the comments of the Committee.

APPENDIX 2

EXTRACT FROM THE MINUTES OF THE RESOURCES SCRUTINY COMMITTEE HELD ON 3RD FEBRUARY 2004

Revenue Budget 2004/05 and Capital Programme 2004/05 to 2006/07

The Committee considered a report of the Director of Resources concerning the Revenue Budget for 2004/05 and Capital Programme 2004/07 in relation to the Resources Department. A copy of the report marked 'B' is filed with these minutes.

The Director of Resources reminded the Committee that the overall position on the Revenue Budget and Capital Programme was set out in the report to the Cabinet on 28th January. A copy had been circulated to all members of the County Council and a copy is filed with these minutes.

The Chairman welcomed to the meeting Mr. R. Miller CC, the Deputy Leader who had kindly agreed to attend the meeting to answer questions on this item.

(a) Remit of the Resources Scrutiny Committee

The Committee was advised that its remit was to consider the revenue budget and capital programme relating to the Resources Department and to comment on the overall budget position.

Members of the Committee expressed the view that it would be more appropriate if the Resources Scrutiny Committee were also responsible for scrutiny of the Chief Executive's budget given the links between it and the Resources Department particularly in relation to corporate activities such as BABS I.

The Committee asked that the issue of its remit be drawn to the attention of the Scrutiny Reference Group and its views be taken into consideration in the proposed review of the current arrangements for scrutiny of the budget.

(b) Budget 2003/04

The Committee was advised that the latest forecast showed an overspend of £0.76m compared with the £1.5m overspend reported in December. The main reason for this was that the Education Department budget was now forecast to break even for the reasons outlined in paragraphs 9 to 11 of the report to the Cabinet. In addition there was a reduction in capital financing costs. These had been partly offset by additional provisions for Job Evaluation appeals and repayment of income.

In reply to questions the Director of Resources and Deputy Leader advised:-

- i) there still remained some risk from the more volatile demand led budgets. However this had been taken into consideration in the compilation of the 2004/05 budget. In addition it was proposed that there would be an increasing focus on budget monitoring in the coming year to ensure that these risk areas are effectively managed. There may be merit in considering whether additional mechanisms should be put in place in relation to those budgets where forecasts vary significantly. The issue of including provision of a central contingency, would be explored for future budgets;
- ii) part of the reduction in the waste disposal tonnage was a result of increased levels of recycling which was also making a contribution to the PSA target;
- iii) Leicestershire Highways was showing a break-even position because of provisions created from the use of profits in previous years which had been used to offset the forecast loss in the current year of between £300,000 and £400,000. It was anticipated that this account would at least break even in the coming year. It was acknowledged that this was the first year since the early 1980's that this budget had been in deficit and that it was appropriate for trading units to carry contingencies against losses;
- iv) the supplementary levy of £250,000 from the Combined Fire Authority had been anticipated. Members were reminded that in setting the 2003/04 budget, provision had only been made for a 4% increase in firefighter pay in the knowledge that this provision was likely to need to be supplemented.

(c) Revenue Support Grant (RSG) Settlement and the 2004/05 Revenue Budget.

The Director of Resources reported that the final settlement figures had now been released and this showed an increase in the settlement of £316,000. Much of this increase was attributable to resources for capital financing.

In response to questions and comments the Committee were advised:-

- i) the County Council would continue to press the Government to use the 2001 Census data in future settlements as this would have resulted in an additional grant of £3 million. The comment was made by a number of members of the Committee that the

effect of this could have been a reduction in the proposed level of Council Tax to below 5%.

- ii) information was still awaited from the DfES on the capital finance for replacing the Integrid schools and the allocation of the £3.7 million transitional fund for schools. The concerns expressed by Scrutiny members on the delay in producing a draft budget were acknowledged though it was pointed out a number of other authorities had experienced similar difficulties;
- iii) the specific grants for certain Social Services activities provided in 2003/04 had now been incorporated into the mainstream FSS funding;
- iv) it was not possible to give an indication, at this stage, of the impact on the level of the County Council's Council Tax, if the Combined Fire Authority (CFA) budget had not been transferred and the CFA had not become a precepting Authority. The information requested would be provided to the Chairman and Spokesmen of the Committee separately;
- v) the Cabinet had not made any decisions regarding the additional £316,000 received in the final settlement. The intention was to await the outcome of the consultation on the budget before coming to a view;

(d) Capital Programme 2004/05 – 2006/07

The Committee was advised:-

- i) that in the absence of a clear decision regarding the Integrid schools and the difficulty in estimating the resources likely to be available in future years because of factors such as the proposed Comprehensive Spending Review a decision had been made not to make use, at this stage, of the freedoms offered by the Local Government Act 2003 and the Prudential Code of Capital finance. The position would be reconsidered during the 2005/06 medium term planning process.
- ii) the Authority was hopeful that there would be a positive response from the DfES regarding the replacement of the five Integrid schools;
- iii) that a list of surplus land and properties that could be disposed of had been identified. This was an annual process. Due to the commercially sensitive nature of this information it was not publicly available. It was accepted practice that before any site or building was marketed the local member would be fully consulted.

(e) Resources Department Revenue Budget 2004/05 and Capital Programme 2004/07

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

- i) expenditure on e-government and BABS I was included not only in response to the Government's e-strategy but because this also related to the Council's stated priorities. It was acknowledged that to-date priority had been given to upgrading the infrastructure and that the benefits of this investment would be realised in the form of more effective and responsive services. It was noted that the Committee had previously expressed an interest in looking at the effectiveness of the investment made and the future direction of the initiative and that a report would now be submitted to a future meeting;
- ii) the additional £250,000 included in the 2004/05 budget for ICT staff for systems development was for particular high priority ICT systems development requirements that had been identified by departments in the annual ICT planning process. The ICT requirements were reviewed annually.
- iii) Following a question on County Hall maintenance, details of the maintenance plan would be provided to the Chairman, Spokesmen and Mr. Boulter;
- iv) as stated in the report the efficiency savings would not impact on front line services. The details of how these are to be achieved had yet to be finalised. In regard to implementation, the Council's normal procedures for reporting to Cabinet and, if required, the Employment Committee, would apply. Scrutiny Committees would be able to comment on the decisions of Cabinet before implementation.
- v) the additional post of Health and Safety Officer was to meet safety requirements.

RESOLVED:-

- a) That the comments now made on the overall Revenue Budget and Capital Programme proposals be noted and drawn to the attention of the Scrutiny Commission.
- b) That the Commission be advised that this Committee commends the proposed Revenue Budget 2004/05 and Capital Programme 2004/07.
- c) That the comments made on the Revenue Budget 2004/05 and Capital Programme 2004/05 in relation to the Resources Department be noted and drawn to the attention of the Commission.

APPENDIX 3

EXTRACT FROM THE MINUTES OF THE HEALTH AND SOCIAL CARE SCRUTINY COMMITTEE HELD ON 4TH FEBRUARY 2004

Revenue Budget 2004/05 and Capital Programme 2004/05 to 2006/07

The Committee considered a joint report of the Director of Resources and Director of Social Services on the Social Services Revenue Budget for 2004/05 and the Capital Programme for 2004/05 to 2006/07. A copy of the report, marked 'B', is filed with these minutes.

The Chairman welcomed Messrs. D.A. Sprason CC and P.D. Boulton CC, the Cabinet Lead Member for Social Services and the Cabinet Support Member for Social Services who had agreed to attend the meeting to help the Committee and to answer questions on the Revenue Budget 2004/05 and the Capital Programme 2004/05 to 2006/07.

Mr Sprason CC, the Cabinet Lead Member advised that in common with other social services departments, the major challenge had been to balance the demand, supply, cost and resourcing of services. There were continuing pressures from increasing levels of demand and increasing costs due to new statutory care standards and pressures in the labour market. The proposed budget aimed to continue the provision of excellent services in an efficient and effective manner thereby providing value for money.

In reply to questions, the Director of Social Services and Cabinet Lead Member advised as follows:

- (i) the re-allocation of £520,000 from in-house to independent sector budgets was in line with the recommendations of the Best Value Review Panel. The Department currently provides home care services to approximately 4,000 users (31,000 hours per week). In response to a question about a particular case, the Director stated that given the scale of the operation it was likely there would on occasion be some shortcomings. However, the Department actively monitors the quality and performance of all providers, in-house and the independent sector. The home care service had also recently been inspected by the National Care Standards Commission who concluded that a good service was being provided and the monitoring arrangements were deemed to be effective;
- (ii) at present 84% of home care services and 79% of residential care services were provided by the independent sector. This was in line with the commitment of the County Council to a mixed economy of care aimed at giving best value;

- (iii) the Social Services FSS increase at 7.1% (after allowing for the transfer of the Children's Grant into mainstream funding) was slightly above average. Nevertheless Leicestershire Social Services was one of the lowest funded social services authorities. The FSS per head of population at £171 was significantly lower than neighbouring authorities. (Leicester City £289, Derbyshire £215, Lincolnshire £201, Nottinghamshire £207). The Director stated that the method of calculating the FSS did not take adequate account of the costs of providing services to rural areas. The increase in the FSS should also been seen in the light of the Department having to find significant amounts to continue to provide those services previously funded by government grant and to compensate for shortfalls in the amount of government grants;
- (iv) the overall increase in the Social Services Budget after allowing for the Children's Grant amounted to approximately 9%.
- (v) the decision to increase charges had been a difficult one. It was considered legitimate to look to increase homecare charges to those who could afford to pay to offset the need to reduce services. Only 10% of service users would be required to pay the full charge and under the Fairer Charging Regime approximately 40% would not be paying for services. The level of homecare charges was lower than those proposed by Leicester City Council (maximum charge £175 per week, hourly charge £6);
- (vi) the increase in the cost of meals was in part to reflect the higher cost of production and increased cost due to the service improvements. The cost of producing a meal was approximately £4.30 and therefore the proposed charge would be recouping just over 50% of the cost.
- (vii) the required efficiency savings would be achieved within the parameters set out by the Cabinet. At this stage there was no definitive list of efficiency savings but some of the potential areas for review were:
- reviewing the approach to the provision of office and building services i.e. energy efficiency, office expenses, furniture and equipment, cleaning and maintenance;
 - reviewing the provision and commissioning of training;
 - a thorough review of the processes and costs associated with existing methods of procuring, commissioning and contracting for services;
 - exploring the availability of external funding and making more effective use of existing funding;

- reviewing the provision of transport both departmentally and in co-operation with other departments;
 - reviewing staffing structures including a review of posts that have been vacant for long periods of time.
 - As not all aspects of the proposed review would be completed until well into 2004/05, it would be necessary to make one-off efficiency savings and this could include managing vacancies.
- (viii) the Director of Social Services would have flexibility in determining how these efficiency savings were achieved. In accordance with the requirements of the constitution, reports would be presented to the Cabinet if required.
- (ix) there were inherent risks in any Social Services budget given the number of demand led services provided. The areas of overspend in the 2003/04 and the underlying reasons for the overspend had been taken into consideration in the compilation of the 2004/05 budget. There would also be an increasing focus on budget monitoring in the coming year to ensure these risks are effectively managed. It was however not possible to assess all risks particularly any in-year changes to policies as a result of directives from central government or policy changes for partners such as the NHS;
- (x) the majority of the safeguarding Children's Grant had been utilised. However given there are potential changes in relation to private fostering and the establishment of a Safeguarding Board to replace the existing Child Protection Committee a decision had been made not to commit the whole of this budget until such time as the position was more certain;
- (xi) most of the additional Delayed Discharge Grant had been committed. The Department had also concluded a risk sharing agreement with local PCT and NHS Trusts which would mean that the Department was unlikely to face any fines in this area in the light of previous investments made by the Department. Members noted this position with approval.

RESOLVED:

That the comments now made on the 2004/05 Revenue Budget and Capital Programme 2004/07 as it relates to the Social Service Department be noted and forwarded to the Scrutiny Commission.

APPENDIX 4

EXTRACT FROM THE MINUTES OF THE COMMUNITY SERVICES SCRUTINY COMMITTEE HELD ON 4TH FEBRUARY 2004

Revenue Budget 2004/05 and Capital Programme 2004/05 to 2006/07

The Committee considered a joint report of the Director of Resources and Director of Community Services on the Community Services Revenue Budget for 2004/05 and the Capital Programme for 2004/05 – 2006/07. A copy of the report, marked 'B', is filed with these minutes.

Revenue Budget 2004/05

The following points emerged from discussion and questions:

- (i) The Chairman pointed out some discrepancies in the figures in the report before the Committee compared to those given in the report to the Cabinet on 28 January 2004. The Director of Resources undertook to correct the discrepancies
- (ii) The Director of Community Services explained that Heritage Services would continue to have responsibility for the Century Theatre as an accessioned Museum item but Commercial and Support Services would be responsible for its day to day operation. There were some concerns expressed about the potential conflict of interest in the light of these shared responsibilities. Members asked that the progress report on Snibston Discovery Park requested at the previous meeting should include reference to the maintenance and operation of the Century Theatre.
- (iii) In answer to a question asking for more details about the proposed efficiency savings, the Director of Community Services said that savings would arise from:
 - Deleting vacant posts would involve a mixture of short-term and longer-term vacancies, but only in circumstances where genuine efficiencies could be achieved.
 - The second phase of re-structuring of the department, arising mainly from consolidation of administrative and clerical support and the merger of sustainable development and heritage services.

He anticipated that there would be a reduction in approximately 20 posts some of which were vacant and some of which would be addressed through redeployment, voluntary redundancy, early retirement or compulsory redundancy.

- (iv) The Chairman pointed out that the level of efficiency savings proposed for the Community Services Department were significantly higher than those proposed in some other departments. The Cabinet Lead Member said that these efficiency savings were necessary given the pressures on the budget and the need to keep down the increase in the level of Council Tax. This meant that it was inevitable that the services provided by the Community Services Department, some of which were discretionary rather than statutory, would come under greater pressure.
- (v) Concerns were expressed about proposed cuts to Shire Grants, particularly as this would affect grants for Historic Buildings and Village Halls. The Cabinet Lead Member commented that given the budget pressures faced by the Council it was not tenable to maintain the current level of the Shire Grants budget. However, rather than withdrawing core funding to voluntary organisations this proposal would mean that less money was available for new schemes. He confirmed that the Committee would be consulted about the revised criteria for eligibility for Shire Grants.
- (vi) Concerns were expressed about the proposed reduction by £35,000 of grant funding to the Leicester and County Co-operative Development Agency (LCCDA) in 2004/05, given the valuable work done by the agency in creating employment. The Committee noted a letter from the LCCDA that gave further information about its activities **[copy attached as an Annexe]**. Some concerns were also expressed about the short notice given by the County Council to the LCCDA. The Cabinet Lead Member explained that the reduction in grant funding was proposed because the Cabinet felt that the LCCDA could access other organisations, such as the Leicester Shire Economic Partnership and EMDA, for funding. Members asked that the letter from the LCCDA should be passed on to the Scrutiny Commission together with the Committee's concerns about the proposed reduction in grant and the suggestion that the reduction in funding could be tapered over a longer period to reduce the impact on the LCCDA and allow it to obtain funds from elsewhere.

Capital Programme 2004/05 – 2006/07

Members welcomed the proposed Capital Programme, particularly the provision for replacing and refurbishing libraries

RESOLVED:

- (a) That the Scrutiny Commission be recommended to note the proposed Revenue Budget for 2004/05 and the Committee's comments.
- (b) That the Capital Programme for 2004/05 – 2006/07 be commended to the Scrutiny Commission

APPENDIX 5

EXTRACT FROM THE MINUTES OF THE HIGHWAYS, TRANSPORTATION AND WASTE MANAGEMENT SCRUTINY COMMITTEE HELD ON 2ND FEBRUARY 2004

Revenue Budget 2004/05 and Capital Programme 2004/07

The Committee considered a Joint Report of the Director of Highways, Transportation and Waste Management and Director of Resources concerning the Revenue Budget for 2004/05 and Capital Programme 2004/07 in relation to the Highways Transportation and Waste Management Department. A copy of the report marked 'B' is filed with these minutes.

The Committee also considered the overall position on the Revenue Budget and Capital Programme set out in the report to the Cabinet on 28th January. A copy has been circulated to all members of the County Council and a copy is filed with these minutes.

The Chairman welcomed to the meeting Mr. H. Barber CC, the Cabinet Lead Member for Highways, Transportation and Waste who had kindly agreed to attend the meeting to answer questions on this item.

(a) Leicestershire Highways

The Committee was advised that the Leicestershire Highways operational trading account was predicted to break-even by the end of the financial year. However, to do so use would need to be made of previous years reserves within the account of £300,000. The main reasons for the current financial position were the loss of a major contract with the Highways Agency, the need to absorb the work previously carried out by District Councils under the Agency arrangements, and the transitional arrangement in the creation of Leicestershire Highways on 1 April 2003.

Leicestershire Highways had now completed the process of integrating and had undertaken some rationalisation to reduce its overheads and successfully absorbed the former agency work. As a consequence it was better placed to bid for a wider range of work. The Director of Highways Transportation and Waste Management stated that the position would be further strengthened in 2004/05. The Committee asked for a report on progress to a meeting in the Autumn.

(b) Highways Maintenance

The Committee was advised that recognising the inflationary pressures on this budget an additional sum of £350,000 had been included in the revenue budget. In addition the improved Local Transport Plan allocation had facilitated additional funds of £500,000 to be transferred from improvements to highway maintenance. It was acknowledged that this level of investment was still insufficient to tackle the maintenance backlog, particularly in relation to the non-principal road network. An additional risk was that moving funds towards maintenance could increase the risk of not meeting the LTP targets and this in turn could influence the level of future LTP settlements. The Director advised of monitoring procedures for assessing road conditions and indicated that a report on the highways maintenance backlog would be submitted to a future meeting with appropriate monitoring information.

(c) Efficiency Savings

In response to questions, the Director of Highways, Transportation and Waste Management advised on the approach and possible measures to achieve the required efficiency savings:-

- as approximately 60% of employee costs was funded from income, and that the capital programme was higher than in previous years, there was scope to make efficiency savings by redeploying in-house staff to support the capital programme and reducing dependence on more expensive agency staff;
- increasing income and workload within existing resource provision;
- develop new ways of working across service areas within the Department taking advantage of the move from compulsory competitive tendering to Best Value;
- developing a new procurement strategy including new partnership arrangements with the private sector for the future delivery of highway services which would open further opportunities as regards areas of County Council work in which the private sector could play a role. This in turn could open up opportunities for the Authority to tender for other work;
- introducing more robust performance management and monitoring for all schemes and services against tendered costs;
- identify and negotiate external sources of funding such as commercial sponsorship of landscape maintenance;

- a further review of area management structure and a possible move to a two area structure including devolving further local highway services to area offices;
- careful control and management of recruitment to vacant posts.

The Director advised that every effort would be made to redeploy resources but he could not guarantee that there would be no redundancies. In relation to efficiency savings the normal procedures for reporting to the Cabinet and, if required, the Employment Committee would apply and that there would be the opportunity for this Committee to comment.

(d) Ivanhoe Stage 1

The Cabinet Lead Member reported that Leicester City Council had indicated that its wish to terminate its participation in the agreement with Central Trains and the Strategic Panel Authority (SRA) to continue to subsidise the Leicester to Loughborough train service. Discussions with both the City Council and the SRA were taking place to consider the implications. In the light of these discussions, the County Council would need to consider its position on this matter as regards its support.

(e) Street Lighting

The current investment programme of £0.5m a year was sufficient to only keep pace with the worst of the problems. To date the problems with the concrete columns had been tackled. Repair work was now undertaken on the plastic coated columns. The Department was pursuing other avenues including obtaining funds from sponsorship and possible economies of scale from joint procurement.

(f) Public Transport

A sum of £350,000 had been included to meet increasing contract prices and £150,000 to maintain services in rural areas. In addition it has been necessary for the County Council to find a sum of £260,000 to offset the loss of the Rural Bus Challenge.

(g) Concessionary Fares

The savings of £350,000 in the concessionary travel budget were due to a number of factors, including a lower than anticipated take up by men aged 60 to 64 who were now eligible for concessionary passes.

The saving of £350,000 shown in the budget is the County Council's share and there would be an equivalent saving shown in District Council budgets. The Cabinet Lead Member confirmed that the County Council remained committed to the agreed 50:50 funding of concessionary fares.

(h) Waste Management

(i) Landfill Sites

The Committee was advised that in the light of the impending closure of the Narborough and Bradgate Landfill sites it was imperative that the New Albion and Shepshed sites became available as soon as possible. The Environment Agency had raised a number of issues in relation to the Shepshed site and as a result the development and opening of this site is problematic.

The geographical location of the new landfill sites at one end of the County would impact on the Waste Management budget in terms of the need for bulking and transfer stations and additional haulage costs.

(ii) Thermal Treatment

The Committee was reminded that the strategy agreed by the Waste Management Steering Group, following investigations by the Scrutiny Five Member Panel, identified the possible need for a thermal treatment plant by 2010. A decision in principle to procure such a facility would need to be taken in 2005/6 and to that end a sum of £50,000 had been included in the budget to undertake feasibility studies and evaluate options.

(iii) Civic Amenity Sites

The Director of Highways, Transportation and Waste Management advised that agreement had now been reached with Charnwood Borough Council concerning the upgrading of the civic amenity site in Loughborough. Planning permission had been sought. However, the Department for the Environment and Rural Affairs (Defra) had yet to confirm whether a grant to upgrade the facilities would be available.

With regard to the Sileby site there remained difficulties regarding access to the site and this may affect the application for planning permissions to develop this site. Alternative locations were being considered.

(iv) Waste Minimisation

The recent focus of the Waste Management Strategy was on ensuring recycling levels were increased. Whilst this would continue, an additional £65,000 had been included to undertake a promotion programme to target waste minimisation. This was likely to include initiatives aimed at encouraging businesses to minimise the waste. Details of the schemes/activities to be undertaken would be brought to the Committee.

(v) Waste Strategy and PSA Targets

The County Council and District Councils were already meeting the first target milestone to recycle 22% of waste. District Councils were at various stages in implementing new collection regimes to enable work towards the next milestone of 33% recycling by 2005/06. The Director of Highways, Transportation and Waste Management was optimistic that this would be met though it would be challenging for all concerned. As regards PSA targets after some initial difficulties these were considered to be on track.

(vi) Impact of new legislation

A total of £110,000 had been included to meet new legislative requirements (£60,000 for abandoned vehicles and £50,000 for the disposal of pesticides). Members expressed concern that any funding arrangement made by Central Government to support local authorities in operating these new initiatives were inadequate and could not be readily identified in the settlement.

The Cabinet Lead Member indicated that it was difficult to predict the scale of the problem in relation to the disposal of pesticides. The position would be carefully monitored.

RESOLVED:

That comments now made on the Revenue Budget 2004/05 and Capital Programme 2004/07 be noted and forwarded to the Scrutiny Commission.