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To: Cllr Veronica Gay (Chair)

Councillors: Haydn Bateman, Ron Davies, Glenys Diskin, Chris Dolphin, David Evans, Cindy Hinds, Ray Hughes, Hilary Isherwood, Joe Johnson, Colin Legg, Brian Lloyd, Nancy Matthews, Ann Minshull and Paul Shotton

1 December 2015

Dear Councillor

You are invited to attend a meeting of the Environment Overview & Scrutiny Committee which will be held at 10.00 am on Monday, 7th December, 2015 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

A G E N D A

1 APOLOGIES

Purpose: To receive any apologies.

2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Purpose: To receive any Declarations and advise Members accordingly.

3 COUNCIL FUND REVENUE BUDGET 2016/2017 (Pages 3 - 10)

Report of Chief Executive and Corporate Finance Manager. The portfolio of the Leader of the Council and Cabinet Member for Finance

Purpose: The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee

Yours faithfully

Peter Evans
Democracy & Governance Manager



MEETING

Date of Meeting	7 th December 2015
Report Subject	Council Fund Revenue Budget 2016/2017
Cabinet Member	Leader of the Council Deputy Leader and Cabinet Member for Environment Cabinet Member for Waste Management, Public Protection and Leisure
Report Author	Chief Executive and Corporate Finance Manager
Type of Report	Strategic

EXECUTIVE SUMMARY

The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals.

The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.

The report also summarises the budget development and consultation process.

RECOMMENDATIONS

1	To review and comment on the initial budget proposals within the Committee's portfolio.
2	To note the timetable and further consultation stage to follow.

REPORT DETAILS

1.00	Budget Consultation process for 2016/17
1.01	The report sets out the initial proposals for the 2016/17 Council Fund Revenue Budget for services within the portfolio of this Overview and Scrutiny Committee. The proposals, which are listed in an attachment, will be presented at the Committee meeting for review and challenge with most attention being given to the higher risk proposals. The proposals have been developed by each Chief Officer as part of the three year business planning process for the period 2015/16 to 2017/18. The proposals are presented in a standard form, across all Committees, with a risk rating and commentary.
1.02	The initial proposals have been developed to contribute to part one of the three part solution to the annual 'budget cut' within the Medium Term Financial Strategy. The Strategy is published and is within the public domain.
1.03	The Draft Welsh Budget will be announced by Welsh Government on 8 December and the Provisional Local Government Settlement on 9 December. Further budget options for all portfolios may need to be presented for consideration in the New Year, depending on the impact the Settlement would have on Council budgets, as set out in the Medium Term Financial Strategy.
1.04	The budget setting process for 2016/17 is particularly complex given the lateness of the expected Final Local Government Settlement from Welsh Government and the scale of the annual budget reductions the Council has to manage. Members have been briefed and consulted in several phases of workshops from July to November. Group Leaders and Overview and Scrutiny Chairs have had specific briefing meetings.
1.05	The Council has organised a major public consultation – Your Moment-with area public meetings being held in seven locations between mid November and early December.
1.06	<p>A series of formal budget consultation meetings are being held:</p> <p>Monday 7 December 10.00 Environment Overview & Scrutiny Committee</p> <p>Tuesday 8 December 10.00 Organisational Change Overview & Scrutiny Committee</p> <p>Friday 11 December 10.00 Social & Healthcare Overview & Scrutiny Committee</p> <p>Tuesday 15 December 14.00 Education & Youth Overview & Scrutiny Committee</p> <p>Thursday 17 December 14.00 Community & Enterprise overview & Scrutiny Committee</p> <p>Friday 18 December 10.00 Corporate Resources Overview & Scrutiny Committee (for Corporate functions and central finance)</p>

	Friday, 18 December 14.00 Corporate Resources Overview & Scrutiny Committee (All Members are invited to attend to conclude this stage of the consultation process.)
1.07	A further round of Overview and Scrutiny Committees is to follow from 14-29 January once the Provisional Local Government Settlement has been announced.

2.00	RESOURCE IMPLICATIONS
2.01	As set out in the Medium Term Financial Strategy.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	This report summarises the consultation process.

4.00	RISK MANAGEMENT
4.01	As set out in the Medium Term Financial Strategy.

5.00	APPENDICES
5.01	Business Plan Proposals 2016/17 for Planning and Environment and Streetscene and Transportation.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Medium Term Financial Strategy Parts 1 and 2 http://www.flintshire.gov.uk/en/Resident/Medium-Term-Financial-Strategy/Medium-Term-Financial-Strategy.aspx Medium Term Financial Strategy Executive Summary http://www.flintshire.gov.uk/en/PDFFiles/Medium-Term-Financial-Strategy/Summary-Medium-Term-Financial-Strategy.pdf Flintshire County Council 24th October 2015 Report http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=143&MId=3551&Ver=4&LLL=undefined Cabinet 15th September 2015 Report http://cyfarfodyddpwyllgor.siryfflint.gov.uk/ieListDocuments.aspx?CId=391&MId=3537&Ver=4&LLL=undefined</p> <p>Contact Officer: Colin Everett Telephone: 01352 702101 Email: chief.executive@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>
7.02	<p>Local Government Finance Settlement: This sets out what the Welsh Government is to allocate to each local authority in Wales. It is issued in two stages. This year, the Provisional Settlement is expected on 9th December with the final Local Government Finance Settlement being announced on 1st March 2016.</p>
7.03	<p>Medium Term Financial Strategy (MTFS): a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.</p>
7.04	<p>Council Fund: the majority of the Council's revenue expenditure covering all services except Council Housing for which there is a stand-alone and ring-fenced account called the Housing Revenue Account (HRA).</p>
7.05	<p>Annual Settlement: the amount of its funds the Welsh Government will allocate annually to local government as a whole, as part of its total budget, and to individual councils one by one. The amount of Revenue Support Grant (see below) each council will receive is based on a complex distribution formula for awarding Aggregate External Finance (AEF). The formula is underpinned by assessments of local need based, for example, of population size and demographics and levels of social deprivation.</p>

**Business Plans
2016/17**

Summary of Business Planning Proposals

Category	1	2	3	Total
Portfolio	2016/17 £m	2016/17 £m	2016/17 £m	2016/17 £m
Planning & Environment	0.262	0.151	0.000	0.413
Streetscene & Transportation	0.485	1.240	0.775	2.500
Total	<u>0.747</u>	<u>1.391</u>	<u>0.775</u>	<u>2.913</u>

Category

1. Fully Costed and Safe - Very detailed costings/modelling undertaken and the the accuracy can be relied upon not to change significantly
2. Reasonably costed will need refining - The level of detail behind the costing/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes e.g. markets
3. High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.

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These Business Plan proposals for 2016/17 build on the work shared with Group Leaders and Chairs of Scrutiny committees and more recently with all Members at the Member workshops.

The tables on the following pages have headings which are familiar.

A new heading refers to the 'Mandatory' duty to provide particular services. It should be noted that all services/functions provided by the Council are provided under many statutory duties. Within these statutory services a 'mandatory' service or function **'must'** be provided.

All 'mandatory' services/functions have been RAG assessed to determine if any 'duty' would be compromised should the business plan proposal be adopted. These are all noted with an 'M' plus an explanation as to the RAG assessment. All 'non-mandatory' services/functions are noted as NM.

Business Planning Efficiencies for Planning and Environment Portfolio

No	Specific 2016/17 Proposals	Type	16-17 PROPOSALS £m	16-17 MANDATORY duties	16-17 RISK status of ACCEPTABILITY and DELIVERABILITY	Categorisation of financial robustness	Explanation	
1	Staffing - management restructure	Structural Review	0.105	M The mandatory duties to provide a planning service and regulatory services such as animal and pest control are not compromised by these efficiencies		1	Reduction of Team Leader posts within the Trading Standards and Building Control functions. These savings would ideally be delivered through collaboration although further options are being explored to deliver this saving. In 17/18 this relates to a reduction in Service Managers.	
2	Staffing - service review	Structural Review	0.127			1	Over two years, the Service Review will result in a reduction of 4 posts below team leader level. Releasing vacancies and fulfilling early voluntary retirement requests in addition to bringing forward Alternative Delivery Model work within the drainage and energy areas will assist in achieving the savings proposal.	
4 & 5	Self financing for Public Protection Services - Animal & Pest Control - Licencing Charging	Income Generation	0.050			2	Incremental fee increases over the three year period will ensure that the animal and pest control function can at least operate on a self-financing basis. Proposed fees reflect favourably against neighbouring authorities and the private sector.	
8	Increase in planning fees (15% WG increase) and applications	Income Generation	0.101			2	Planning (Wales) Bill introduced a 15% increase from 01/10/15 on all planning application fees.	
9	Increase in number of planning applications	Income Generation			2	Estimated increase in the volume of planning applications as the economy continues to recover.		
10	Additional elements of charging for Planning Work	Income Generation			2	Planning (Wales) Bill proposes to increase the types of activities for which a planning fee can be charged as described within the proposal. Estimate of saving is based on an analysis of volume of work currently undertaken in these areas.		
11	Pre planning advice	Structural Review / Service Efficiency			2	Planning (Wales) Bill will introduce the provision of mandatory pre-application services, clarify what the Local Planning Authority has to provide and set standard service charges across Wales.		
12	Reduce cost of newspaper advertising	Structural Review / Service Efficiency	0.010			1	Continue to review the requirement to place public notices within local newspapers for all of the Planning and Environment portfolio. Secondary legislation related to Planning (Wales) Bill suggests that this may become less onerous.	
13	Savings from Development Management process improvements	Service Efficiency	0.020			1	Continue to undertake a full LEAN review of the Development Management process drawing on best practice and increased use of electronic delivery of the service.	
TOTAL			0.413					
CUMULATIVE								

PLANNING & ENVIRONMENT	
Total value of Business Plan proposals	0.413

CATEGORISATION KEY	Count Number	Total 16-17
1 = Fully Costed and Safe - Very detailed costings/modelling undertaken and the accuracy can be relied upon not to change significantly	4	0.262
2= Reasonably costed will need refining - The level of detail behind the costings/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes in circumstances e.g. market conditions.	5	0.151
3= High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/buildings.	0	0.000
Total		0.413

Business Plan Efficiencies for Streetscene and Transportation Portfolio

No	Specific 2016/17 Proposals	Type	16-17 PROPOSALS £m	16-17 MANDATORY duties	16-17 RISK status of ACCEPTABILITY and DELIVERABILITY	Categorisation of financial robustness	Explanation
CHANGES TO STAFFING AND CONTRACTUAL ARRANGEMENTS WITHIN THE EXISTING MODEL							
4	Introduce an integrated transport unit	Structural Review	0.200	NM	Operating systems still to be confirmed	2	County wide transport service includes - Public, Social care and Schools transport
5	Shared Specialist Plant with neighbouring authority	Collaboration	0.050	NM	No discussions taking place to facilitate	2	The opportunity exists to share specialist plant, e.g. streetlighting equipment, traffic management equipment with another Council.
6	Staffing Structure following Organisation Design review	Structural Review	0.150	NM	New team delivering a huge change programme and day to day operations	1	The recent Organisation Design review has brought together a number of services under the new Portfolio and the staff will be reviewed in order to reduce numbers and provide more generic roles operating to the new business plan.
8	Introduce non-generic streetscene roles (3 year plan)	Structural Review	0.115	NM	Concerns from Trade Unions re the introduction of a two tier workforce	2	The Council introduced a generic Streetscene operative role in 2012. The new role requires the staff to work across the sections of Streetscene services in return for an increased salary. Whilst there are clear benefits in this arrangement, having operated this for a period of two years, it has become clear that a generic workforce across the overall service is unnecessary. The intention therefore is to replace any service leavers or new starters with non-generic (service specific) roles on lower salaries.
Totals			0.515				
REVIEW OF STANDARDS AND OPERATING ARRANGEMENTS WITHIN WASTE							
1	Develop energy production at landfill	Income Generation	0.100	NM	1. Subject to Planning 2. Funding to be confirmed 3. Works need to be completed by April 2016 4 Changes to Feed Tariff payments announced by Chancellor may impact on scheme viability	3	The landfill sites at Brookhill and Standard currently produce energy through gas turbines. The gas supply is reducing resulting in capacity in the connection to the mains grid. With investment, it is intended to increase the level of energy produced by introducing photo voltaic panels to both landfill sites. The potential to extend the energy source to Alltami depot opens the opportunity for utilising the energy to power the fleet (1.7M INVESTMENT REQUIRED)
2	Rationalise Household Recycling Centres provision and provide the service through a performance based contract which would include bulky collections.	Service Reduction	0.425	NM	Subject to achieving necessary recycling levels and further review of site numbers	3	The Council currently operates 7 Household Recycling Centre sites. The sites are operated utilising in-house labour. The proposal is: (1) to reduce the number of sites in the County to three, suggested locations to be decided based on optimising resident access to the sites (2) contract the management of the sites based on an incentivised contract which will improve the recycling levels at the sites. The opportunity to tender the work to a Social Enterprise will be considered.
3	Removing the waste containers delivery service	Service Reduction	0.050	NM	Public opposition to the proposals	2	Residents requiring new waste containers such as recycling boxes, bags, food caddies etc. currently call the Contact Centre and bags are delivered to their address. The proposal will be for residents to collect any new containers they require from: 1. Household Recycling Centre sites 2. Flintshire Connect Centres 3. Housing Offices Deliveries to assisted collection properties would continue and delivery of wheelie bins will also remain unchanged.
5	Introduce a charge for second garden waste bin	Income Generation	0.025	NM	Public opposition to the proposals	1	The Council currently provides a free collection of garden waste and whilst the new policy limits the number of bins provided to two, there are many properties within the County with significantly more than this number. The proposal is to provide a single bin collection free of charge for a second and subsequent bin.
6	Introduce 7 day working and no Christmas collection catch up	Service Efficiency	0.050	NM	Public opposition to the proposals	2	Currently we collect waste over a six day period and the proposal is to extend that to seven days. The saving will be generated by the reduced number of vehicles within Waste.
7	Diagnostic proposals waste	Service Review	0.050	NM	Improving productivity - TU opposition to proposals	1	Following the template of the Fleet Review we have engaged with a diagnostic partner to carry out a review of all operations within the waste service and make recommendation to improve efficiencies. Implementation of these changes will be on a no win/no fee basis.
8	Suspend garden waste collections November to February	Service Reduction	0.025	NM	Public opposition to the proposals Reduced Recycling levels	3	During this period there is a limited amount of garden waste material made. The proposal is to cease all garden waste material collections whilst maintaining the black bin collections.
12	Remove the existing policy of returning for missed bin waste collections	Service Reduction	0.075	NM	Public opposition to the proposals	3	The Council will not in future return to collect any containers not collected in the original visit to that area.
14	Review of Bulky Waste Collection	Service Reduction	0.025	NM	Public opposition to the proposals	2	Charging all residents / Contracting the service to Social Enterprise
15	Construction of a waste handling and biomass production facility at Greenfield	Service Reduction	0.100	NM	1. Subject to planning 2. Funding still outstanding	2	Waste handling facility will reduce fleet mileage and fuel costs. Biomass facility will feed Council boilers, invest to save proposal (£1m)
10	Car Parking Charges	Income Generation	0.200	NM	Full year effect of charges - Public opposition to the proposals	2	Revise the Councils Car Parking Strategy introducing parking charges to all town centre car parks in Flintshire
Totals			1.125				

REVIEW OF STANDARDS AND OPERATING ARRANGEMENTS WITHIN TRANSPORT AND TRANSPORTATION							
2	Replace Demand Responsive Transport with non-subsidised service	Service Reduction	0.250	NM	Full year effect of 2015/16 proposal	2	Deeside Shuttle - Demand for the service has grown to the extent that a regular and potentially non-subsidised defined route can replace the existing arrangements. The savings would be generated by a reduction in back office staff costs. Full year effect
5	Charge maintenance of Bus Shelters to Community & Town Councils	Income Generation	0.025	NM	Part of CAT's	1	Discussions will commence with Town & Community Councils in respect of taking maintenance responsibility for shelters.
6	Review subsidised bus routes	Service Reduction	0.100	NM	Public opposition to the proposals	3	Remove current subsidised bus services and work with Town & Community Councils and the local community to deliver local community based travel arrangements
Totals			0.375				
OTHER							
1	Remove the subsidy for the Community Rail Officer	Service Reduction	0.010	NM	Regional partners concerns	1	FCC currently provides £10k towards the funding of the post
4	Externalise the Stores Managed Service	Service Reduction	0.050	NM	Business case still to be developed	2	Align stores delivery to external provision or utilise Housing tender
Totals			0.060				

REVIEW OF STANDARDS AND OPERATING ARRANGEMENTS WITHIN STREETSCENE							
1	Externalise grass cutting service	Service Efficiency	0.075	NM	Contractor standards below in house and needs managing	1	The majority of area grass cutting is carried out by the in-house service with agency assistance to support existing staff. The operation requires a large amount of specialised plant and equipment which is not owned by the Council and hired at great expense. The intention is to incrementally tender the full function over a three year period - market testing against internal provision at each stage.
2	7 day operations across all service areas	Structural Review	0.025	NM	Trade Unions opposition to proposals	1	Following the Streetscene Review in 2012, Streetscene now operates a six day working week. The intention is to extend operations to Sunday which will require all staff to work some weekends during the year. The savings would be driven by reduction of vehicle plant and fleet.
3	Extend night working	Structural Review	0.025	NM	Pay enhancement needs reviewing	1	Streetscene introduced an evening shift in 2012. A small number of people work through the night (365 days a year) dealing with emergencies and small amounts of planned works. The proposal will see this level of work increase with operations such as gully emptying, town centre sweeping etc. carried out during the evening and overnight period. The saving will be generated by reduction of plant and equipment.
6	Final phase of public convenience review	Service Reduction	0.020	NM	Public opposition to the proposals	2	Implement final phase of the service review as previously approved by Cabinet.
7	Pass Maintenance Liability and Cleanliness of Cemeteries to Town & Community Councils	Service Reduction	0.050	NM	Part of CAT's proposal	3	The proposal is to pass all liability for the long term maintenance of cemeteries to Community Councils
8	Reducing Cleansing standard in the towns and enforce zero tolerance for littering	Service Reduction	0.050	NM	Subject to a reduction in littering	1	The Council currently has both CPE and Environmental Enforcement teams. Whilst numbers will reduce as part of the service review - this proposal would reduce or remove the service completely.
9	Diagnostic proposals Streetscene	Structural Review	0.050	NM	Productivity improvements - Trade Unions opposition to proposals	1	Following the Fleet Review the proposal is to engage a diagnostic partner to carry out a review of the operations within the highway service and make recommendation to improve efficiencies. Implementation of these changes will be on a no win / no fee basis
11	Probation Service to take on Litter Collections in some areas	Service Reduction	0.100	M	Trade Unions opposition to proposals	2	Currently all cleaning operations are carried out by full time Council employees. The proposal is to engage the Probationary Service to provide a resource on the Community payback Scheme to carry out this service on an SLA
13	Part night lighting in all residential areas	Service Reduction	0.030	NM	Public opposition to the proposals	2	Introduce part night lighting in all residential areas. Subject to risk assessment lights will be turned off between 12pm and 5am.
Totals			0.425				

STREETSCENE AND TRANSPORTATION TOTAL		2.500		
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STREETSCENE & TRANSPORTATION	
Total value of Business Plan proposals	2.500

CATEGORISATION KEY	Count Number	Total 16-17
1 = Fully Costed and Safe - Very detailed costings/modelling undertaken and the accuracy can be relied upon not to change significantly	10	0.485
2= Reasonably costed will need refining - The level of detail behind the costings/modelling is reasonable although further work will be required to ensure robustness and to deal with any changes in circumstances e.g. market conditions.	17	1.240
3= High level costing requires detailed further modelling - The figures are included at a high level with uncertainty around some of the significant detail e.g. further work required to develop a specific proposal such as rationalising services/building	13	0.775