

**CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE MEETING**

<b>Date of Meeting</b>	Thursday 10 December 2015
<b>Report Subject</b>	Period 5 - Overspend in the Streetscene and Transportation Portfolio
<b>Cabinet Member</b>	Deputy Leader and Cabinet Member for Environment & Cabinet Member for Waste
<b>Report Author</b>	Chief Officer - Streetscene and Transportation
<b>Type of Report</b>	Operational

**EXECUTIVE SUMMARY**

Streetscene and Transportation receives a total annual revenue budget of £27.8m.

The Period 5 monitoring report presented to the Corporate Resources Overview and Scrutiny Committee in October 2015 showed the service projecting an overspend of £1.08m for the financial year 2015 - 16

Members of the Committee requested more information on the reasons behind the projected overspend and this report provides some background to the individual elements of the overspend.

**RECOMMENDATIONS**

1	That Members of the Committee note the reasons for the overspend in the Streetscene and Transportation Portfolio and the on-going work within the service to mitigate the overspend.
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## REPORT DETAILS

1.00	<b>EXPLAINING THE REASON BEHIND THE PROJECTED OVERSPEND</b>
1.01	The projected overspend is the result of a number of elements within the portfolio
1.02	<p>The service was set a challenging target for savings in 2015 -16, with savings totalling £2.67m required in-year which were accrued from 32 individual savings proposals. Many of the proposals required changes to Council Policy, which in turn required significant public and Member consultation periods, which then delayed the process of introduction and resulted in the full year benefit of the saving not being realised.</p> <p><b>Waste Collection Policy</b></p>
1.03	<p>The Council's revised waste collection policy was approved by Cabinet in April 2015, which created a delay in the introduction of a number of the revised working arrangements for the waste service. For example:</p> <ul style="list-style-type: none"><li>• Cessation of the waste container delivery service - which was introduced in July 2015 resulting in an overspend of £50k</li><li>• Delay in the introduction of charging for second garden waste bins as it was not possible to introduce the charge part way through the year. The new service charge will now be introduced in March 2016 resulting in a loss of income of £25k.</li><li>• Introducing a 7 day waste collection service required extensive public engagement and resident/member notifications. This resulted in the new service being introduced in mid-September 2015 with the full year benefit not being accrued</li></ul>
1.04	<p>The proposed rationalisation and changes to Household Recycling Centre provision (HRC's) were further delayed by a Call-In on the original Cabinet decision. The subsequent extended period of consultation had the following impact</p> <ul style="list-style-type: none"><li>• Flint, Connaah's Quay HRC sites did not move to a 3 day operating week operation until July 2015</li><li>• The site at Hope which was planned to close completely following the rationalisation programme, moved to a 'weekend only' site from September 2016, with this situation still in operation, in order to allow the community sufficient time to build a business case to take on the operations at the site.</li></ul>
1.05	<p>The total overspend as a result of the delay in implementing the rationalisation at HRC sites is £175k</p>
1.06	<p><b>Car Parking Strategy and the introduction of Car parking charges</b></p> <p>The Councils Car-parking strategy was approved by Cabinet in April 2015 and before any charge could be introduced a full statutory consultation</p>

	<p>period was required in order to validate the necessary parking orders. This resulted in a delay in introducing car parking charges in every town in the County and resulted in a loss of income amounting to £110k against the full year target at period 5.</p> <p><b>Grass cutting Policy</b></p>
1.07	<p>The grass cutting policy which reduced the frequency of some grass cutting services and included the decision to outsource some of the provision was approved by Cabinet in April 2015. The decision came after the commencement of the grass cutting season and the delay resulted in the partial loss of the full year saving of £50k.</p> <p><b>Zero Tolerance for littering</b></p>
1.08	<p>The Zero Tolerance approach to littering and the advance communications required with businesses and residents to facilitate the new initiative has resulted in its later than expected introduction. This has not enabled the proposed reduction in the cleansing teams which are allocated to the town centres.</p>
1.09	<p>In addition to the late delivery of Business Planning proposals, there are a number of unforeseen elements which have also contributed to the service overspend.</p>
1.10	<p>Reduced electricity sales from the gas engines at Brookhill and Standard landfill sites following equipment breakdown and fluctuating levels of gas extraction at the sites, has resulted in a shortfall in income of £150k. Extensive maintenance work has been carried out on the gas collection network and new wells have now been installed. This has already improved gas yields and it is expected that this improvement will be maintained and shown improvement in income returns in future monitoring reports. A new engine maintenance arrangement has also been introduced at the sites which will also reduce the likelihood of an extended period of engine breakdown.</p>
1.11	<p>The biggest single element contributing to the portfolio overspend is under achieving income levels in the waste recycling market, due to fluctuating recycle sale values. This has resulted in a £236k loss of income at period 5, further reducing income levels of £111k from the previous monitoring period. The cause is a collapse in national and international recycling product values with the value likely to deteriorate further in the coming months. Discussions are on-going with Welsh Government in an attempt to introduce a national merchant arrangement for the sale of recycling products across Wales to benefit from the economies of scale from an 'All Wales' approach. In addition the service continues to monitor recycling market closely throughout 2015/16 and will amend financial projections accordingly.</p>
1.12	<p>Denbighshire County Council has reviewed its own contractual arrangements for composting their domestic garden waste. The new arrangement has resulted in the loss of the material treated by FCC in the facility in Greenfield and the loss of £60k income from the arrangement</p>

	over the financial year.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Both Cabinet Members are consulted regularly on budget issues

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The service continues to manage its budget at every level in order to control spend levels and reduce the declared overspend. The indication for period 6 and for future monitoring projections are that the figure can be partially mitigated and partially reduced over the coming monitoring periods.
4.02	The greatest risk to the budget comes from the continued reducing value of recycling end products. This national and international reduction in the value of the products is predicted to continue and will directly impact on future service budgets. The risk has now been identified as a Corporate Risk and future projections for reducing income levels have been included in the Councils MTFP.

<b>5.00</b>	<b>APPENDICES</b>
5.01	None

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None  <b>Contact Officer:</b> S Jones Chief Officer Streetscene and Transportation <b>Telephone:</b> 01352 704700 <b>E-mail:</b> <a href="mailto:Stephen.o.jones@flintshire.gov.uk">Stephen.o.jones@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	HRC – Household Recycling Centre