



SPECIAL REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE– 1ST DECEMBER 2014

**SUBJECT: MEDIUM TERM FINANCIAL PLAN – 2015/2016 SAVINGS FROM
ENVIRONMENT DIRECTORATE – ITEMS FOR FURTHER
CONSIDERATION**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To give further consideration to Medium Term Financial Plan (MTFP) savings options from the Environment Directorate Service Divisions in accordance with the Cabinet report 29th October 2014 – Draft Savings Proposals for 2015/2016.

2. SUMMARY

- 2.1 Scrutiny will recall that the MTFP agreed by Council on the 26th February 2014 identified an estimated saving requirement of £6.5m for 2015/16 and £6.9m for 2016/17. This was based on an indicative reduction in WG funding of 1.34% for 2015/16 and in the absence of further guidance from WG, an assumed reduction of a further 1.34% for 2016/17.
- 2.2 On the 24th June 2014 the Minister for Local Government and Government Business wrote to all Local Authorities in Wales informing them that there would be a significant shift in the likely financial settlement for 2015/16 and beyond. The Minister advised Authorities to consider how they would respond to a cut in funding of up to 4.5%. Cabinet received a report on the 16th July 2014 outlining the impact of a cut in funding of 3% and 4.5%. Cabinet were advised that a 3% cut would increase the savings requirement for the two-year period 2015/16 and 2016/17 from the current planning level of £13.4m to £22.2m. A cut of 4.5% would increase the savings target to £30.1m.
- 2.3 As reported to Cabinet on 29th October 2014, the Provisional 2015/2016 Local Government Financial Settlement announced by the Welsh Government (WG) on 8th October 2014 actually resulted in a cash decrease in funding for Caerphilly of £9.087million which is a reduction of 3.4%. It was reported that whilst the cut of 3.4% in the 2015/16 provisional settlement was better than the potential worst case scenario of 4.5%, it still presented an extremely challenging financial position and that it was also likely that austerity will remain for at least the medium-term. On this basis the MTFP was updated for the three-year period 2015/16 to 2017/18 with an assumed reduction in WG funding of 3.4% for each of the three years, the updated position resulting in total savings requirement of £39m over three years, including a target saving of £12.866m for 2015/2016 financial year.
- 2.4 Regeneration and Environment Scrutiny have also to date considered a range of MTFP savings options in relation to the Environment Service Divisions in support of the Council MTFP strategy at its meetings on 12th June 2014 (Engineering Services), 30th July 2014 (Community & Leisure Services), 4th September (Public Protection Services) and 1st October (Regeneration & Planning Services). These reports considered MTFP savings options in

relation to discretionary services and also efficiency savings options for statutory and essential services.

- 2.5 A number of the savings options considered by Regeneration and Environment Scrutiny between June and October were incorporated into the Cabinet report on 29th October along with some additional savings options put forward for consideration since the original Scrutiny Committee meetings.
- 2.6 This report considers further and seeks views of the Scrutiny Committee to the MTFP savings options relating to the Environment Directorate considered by Cabinet on 29th October 2014.

3. LINKS TO STRATEGY

- 3.1 Budget decisions impact on all Council strategies. This report relates to the Authority's Medium Term Financial Plan and the resultant efficient and effective use of revenue and capital resources moving forward.

4. THE REPORT

- 4.1 A range of MTFP savings options for 2015/2016 financial year were considered by Cabinet on 29th October 2014 in the report "Draft savings Proposals 2015/2016". These are outlined in the report, attached templates and summary document.
- 4.2 The Cabinet report highlighted general MTFP savings options for each service area that had no direct impact on service users.
- 4.3 The Cabinet report also listed individually, MTFP savings options that although supported by the Regeneration and Environment Scrutiny Committee would have direct impact on service users. The Cabinet report also listed individually, MTFP savings options where the Scrutiny had either, not supported the proposals, requested additional information and/or further consultation, or proposed that officers consider alternative options. The Cabinet report also included a number of additional MTFP savings options not previously considered by the Regeneration and Environment Scrutiny. Details of which are contained in the body of the report.
- 4.4 This report considers further, the MTFP savings options for Environment Directorate with specific focus on the savings options identified individually in the Cabinet report of the 29th October. As noted in paragraph 4.3 above, these are savings that were either:
- (A) supported by Scrutiny but with direct impact on service users
 - (B) not supported by Scrutiny
 - (C) not supported and requesting additional information and/or further consultation
 - (D) not supported and requesting that officers consider alternative options.

Also, new savings proposal options added since the original Scrutiny meetings.

- 4.5 The table on page 3 below lists the individual MTFP savings options highlighted separately in the Cabinet report and appendix 5 summarises these savings including additional information on the impact these savings could have on service delivery.

TABLE 1**MTFP Savings Options 2015/2016**

Regeneration & Planning Services		
C	Events – Cease Bargoed Ice Rink	£20,000
C	Area Forum – Delete Budget	£72,000
Engineering Services		
D	Highways Operations – Street Lighting energy reduction	£100,000
C	Highways Operations – Reduction in Planned Carriageway resurfacing by 20%	£300,000
C	Highway Operations – reduction in planned footway resurfacing by 12%	£60,000
A	Highway Operations– Reed Bed recycling increased income	£10,000
C	Highway Operations– Reduce highways reactive maintenance by 4% Budget	£50,000
B	Highway Operations – Reduce highway/land drainage planned maintenance by 11%	£30,000
D	Highway Operations– Reduce gritting routes from 9 to 8	£60,000
A	Highway Operations– Reduce Aids to move budget by 25% (road marks/signs/crossing)	£25,000
B	Highway Operations- Reduce highways/land drainage reactive maintenance by 4%	£20,000
C	Highway Operations-Reduce structures and retaining walls budget by 10%	£50,000
A	Highway Operations- Remove support to Christmas lighting in towns & villages	£35,000
A	Transport Engineering- Increase highway adoption and agreement fees	£15,000
A	Transport Engineering- Cease holding Events in pay & display car parks	£20,000
C	Transport Engineering- Increase car park charges by typically 10p per hour	£30,000
A	Transport Engineering- Increase excess charge notice penalties at off street car parks	£25,000
C	Transport Engineering- Introduce Sunday Charging at off-street car parks	£10,000
A	Passenger Transport- Increase charge for concessionary pass replacements	£7,000
D	Passenger Transport- Review Passenger transport service	£24,000
Public Protection Services		
A	Licensing – Increase Fees	£8,000
A	Registrars – Increase fees	£10,000
C	Health Improvement- Delete 1.6 vacant posts	£77,000
NEW	Enforcement- Delete 1 vacant Environmental Health Officer post	£45,000
Community & Leisure Services		
NEW	Parks & Playing Fields- Cessation of “Bands in the Park” events	£2,000
A	Parks & Playing Fields- 2 nd phase of the removal of flower beds in parks & open spaces	£40,000
C	Parks & Playing Fields- Reduction in playing field maintenance	£30,000
D	Parks & Playing Fields- Increase Outdoor facilities charges by 20%	£20,000
A	Parks & Playing Fields- Review Park Ranger service from 18 to 12 staff	£40,000
NEW	Parks & Playing Fields- Cessation of litter picks at 14 parks on Saturdays	£12,000
NEW	Parks & Playing Fields- Removal of barrier attendants at 5 locations	£14,000
B	Waste Strategy & Operations - Charging for ALL replacement containers	£60,000
D	Waste Strategy & Ops - Closing CA sites for 2 days per week + 1 hour on other days	£100,000
A	Street Cleaning- Reduce cleaning on bank holidays to same frequency as week days	£13,000
A	Street Cleaning- Reduction in weed removal and winter lane grubbing out team	£100,000
A	Street Cleaning- Reduce number of pedestrian sweepers operating by 1	£14,000
NEW	Street Cleaning- Reduction in cleansing budget via reduction in staff	£100,000
A	Leisure- Cwmcarn Leisure Centre hand over to school	£25,000
NEW	Leisure- Closure of Bedwas swimming pool on Sundays	£10,000
NEW	Leisure- Average price increase of 5% inflation on leisure centre fees	£100,000
TOTAL SAVINGS		£1,783,000

- 4.6 The total value of 2015/2016 MTFP savings for the Environment Directorate as reported to Cabinet on the 29th October was £2,852,000.

5. REGENERATION & PLANNING

- 5.1 The proposal to cease operating the Bargoed Ice Rink as part of the annual Events programme was not supported by the Scrutiny Committee on 1st October and Members requested further information relating to events across the borough and that consultation be undertaken with Bargoed Town Council regarding the proposed removal of this event. The Ice Rink was initially funded in 2010 by an external grant (HOV) but is now largely funded by the Council, admission fees and a contribution from Bargoed Town Council. The net cost to the Council in 2013/2014 was circa £26,000. Bargoed Town Council have been consulted and they have asked that the cost of staging the event is reviewed following the 2014 event, which has reduced from nine days to five days, so that the Town Council can assess their funding commitment to the event in light of the budgetary pressures under consideration. Officers have also reviewed the town centre footfall figures for additionality during the period of the 2013 Ice Rink. The 2013 Ice Rink was held over a nine day period that included two consecutive weekends and comparison of the recorded footfall figures with average footfall for the time of year indicate that the significant increase in additional footfall recorded during the first day of the ice rink was driven by the staging of the Bargoed Christmas market. This is supported by a review of the footfall data for the 2012 event and indicates that the presence of the ice rink is not driving footfall through the town centre. In addition there is a cost associated with the ice rink relating to the loss of car park income of circa £1,500. Members should note that the other events in Bargoed during the summer and Christmas period would not be affected by this saving option, this option only relates to the Ice Rink due to the relatively high cost relative to the potential economic benefits. As requested by the Scrutiny committee **Appendix 1** also provides a breakdown of the total costs and funding of the Events programme in 2013/2014 including details of Council and external funding for each event.
- 5.2 The proposal to delete the Area Forum budget was not supported by Scrutiny Committee on 1st October, further information was requested regarding the Area Forum budget including financial values held in reserves. The Area Forum reserve is £162,000 and this represents unspent budget allocation from previous years. The Area Forum budget is held by Community Regeneration for small environmental schemes identified by the Community Partnerships. Where these are not in place the respective ward members identify spend. Some of the schemes such as benches, litter bins are delivered by internal departments. The budget has also been used however for larger schemes and used for match funding of facilities such as play parks, skate parks and larger environmental schemes. The proposal is to delete the annual Area Forum budget of £72,000 in 2015/2016. Appendix 2 summarises the present allocations and estimated remaining funds for each area, showing that the total estimated funds available will be £177,561 once the 2015/2016 revenue budget is deleted.

6. PUBLIC PROTECTION

- 6.1 Proposals to increase licensing and registrars fees are noted in table 1 and appendix 5. Scrutiny Committee at its meeting on 4th September supported these proposals and were advised that a detailed report on proposed licensing fees for 2015/2016 would be submitted to the Licensing Committee and then Council.
- 6.2 The saving proposal in relation to Health Improvement services noted in table 1 was not supported at the Scrutiny Committee on 4th September and further information was requested in regard to the proposal to delete the non grant funded Health Improvement Officer post's (3.6 fte) saving £150k. The Committee requested data to demonstrate the impact of the work of the Team on local health issues and challenges The Team consists of 5.4 FTE with 1.8 FTE delivering the Healthy Schools Programme and funded by grant. Since the Report to the Special Scrutiny the 0.6 fte post and Senior Health Improvement Officer post have become

vacant and therefore the revised option is to delete the 1.6 posts saving £77k, with 4 fte posts remaining, 2 fte non grant funded and 1.8 fte grant funded. Committee Members were advised during the meeting that the Health Improvement Team lead and deliver corporate employee health and wellbeing programmes including health screening for staff. They have identified and helped staff to correct numerous health problems, including one employee that was suffering from an immediate potentially life-threatening health condition. Members were informed that in addition to improving lifestyles and engaging with communities, the Team were also tackling the issue of lower life expectancy in certain areas of the county borough. Members asked for more information to demonstrate the impact of the work of the Team on local health issues and challenges (such as smoking cessation rates) and a 29 page briefing document was sent to all Members on 2/10/2014. The Health Improvement Team strategically leads and delivers the local response to Health Challenge Wales and Change 4 Life Interventions as well as contribution to our Corporate Health activities. Deleting 1.6 FTE will have an impact upon the capacity of team, as 1 post is the Senior Officer that leads the team. Alternative line management arrangements will need to be put in place.

- 6.3 The saving proposal in relation to Environmental Health Officer post in table 1, page 3 is a new saving proposal not considered by Scrutiny Committee on 4th September. This saving can be generated as a result of a vacant Environmental Health Officer (EHO) post within the team. The General Environmental Health Team protects public health and quality of life by dealing with complaints of nuisances or hazards of health e.g. noise, defective drains and sewers, investigation of odours, bonfires etc. They deal with filthy and verminous premises and travellers sites, and are also involved in problems of pest infestations, straying animals and irresponsible dog ownership. They also enforce in relation to littering, dog fouling and fly tipping activities. The team responds to approximately 15,000 requests for service per year. Much of the work undertaken by this team contributes to the Healthier and Greener priorities within the Single Plan, "Caerphilly Delivers". They assist in the provision of better health and healthier lifestyles within our communities. Reducing the 3 EHOs within the General Environmental Health Team to 2 will extend the time taken to deal with and investigate service requests.

7. **COMMUNITY & LEISURE SERVICES**

- 7.1 Table 1 on Page 3 lists the MTFP budget savings proposals for Community and Leisure Services Division some of which were supported by Scrutiny on 30th July 2014, others which were not supported and required additional information and/or alternative savings options be considered and also some new additional savings not previously considered by Scrutiny. Appendix 3 provides detailed savings implication notes and additional information where it was requested and implication notes for the new savings proposals.
- 7.2 Appendix 5 summarises all the savings proposal's listed in table 1 on page 3.
- 7.3 The new savings proposals not previously considered by Scrutiny and included in table 1 and appendix 3 include:

Cessation of bands in the park events.
Cessation of litter picking at 14 parks on Saturdays.
Removal of barrier attendants at 5 locations.
Reduction in street cleansing staff.
Closure of Bedwas swimming pool in Sundays.
Increasing Leisure Centre fees by an average of 5% + inflation.

Individual implication notes for these savings options are included as appendix 3.

- 7.4 There are also a number of items where further details or alternative options were requested by the Committee at its meeting on 30th July 2014. These include:

Increasing outdoor facilities charges.

Scrutiny asked officers to examine options whereby junior fees would remain at their current level but adult fees would increase to at least achieve the desired saving.

Closure of Civic Amenity (CA) Sites

Scrutiny previously considered the closure of up to 5 of the Authority's 6 CA sites but did not support the permanent closure of any sites. Officers were then asked to consider options to "spread" closure across all sites on certain days/times throughout the week.

Individual implication notes for these savings are included as Appendix 3 and a full summary included within Appendix 5.

8. ENGINEERING SERVICES

- 8.1 Table 1 on Page 3 lists the MTFP budget savings proposals for Engineering Services Division some of which were supported by Scrutiny on 12th June 2014 and others which were not supported and required additional information and/or alternative savings options be considered. Appendix 4 provides detailed savings implication notes and additional information where it was requested.

- 8.2 Appendix 5 summarises all the savings proposal's listed in table 1 on page 3.

- 8.3 Included in the Engineering Service savings options are alternative proposals to those originally considered by Scrutiny on 12th June in relation to:

Street Lighting Energy Reductions (Appendix 4 ESD IN (i))

Winter Maintenance gritting (Appendix 4 ESD IN (V))

Management of Off Street car Parking: Sunday Charging (Appendix 4 ESD IN (Viii))

Passenger Transport Subsidies (Appendix 4 ESD IN (iX))

9. EQUALITIES IMPLICATIONS

- 9.1 This report contains wide ranging proposals for savings within the Environment Directorate which will involve consultation with relevant groups and stakeholders. The equality issues will need to be addressed as part of this consultation process.

10. FINANCIAL IMPLICATIONS

- 10.1 The financial implications are dealt with in the main body of the report and the relevant implication notes.

11. PERSONNEL IMPLICATIONS

- 11.1 The relevant personnel implications have been identified in the main body of the report and the relevant implication notes.
- 11.2 Non-statutory areas will require further consultation with staff and trade unions if they are to be implemented. The personnel implications will then be addressed as part of the consultation process.

12. CONSULTATIONS

12.1 The report reflects the views of the listed consultees.

13. RECOMMENDATIONS

13.1 The views of the Scrutiny Committee are sought in relation to the suggested savings from the Environment Directorate.

14. REASONS FOR THE RECOMMENDATIONS

14.1 To ensure that the views of the Scrutiny Committee are taken into account in the future budget setting process.

15. STATUTORY POWER

15.1 Local Government Acts 1972 and 2000.

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Consultees: Councillor D.T Davies Chair Regeneration & Environment Scrutiny Committee
Councillor Mrs E.M Aldworth Vice Chair Regeneration & Environment Scrutiny
Sandra Aspinall, Acting Deputy Chief Executive
Pauline Elliot, Head of Regeneration & Planning
Robert Hartshorn, Head of Public Protection
Terry Shaw, Head of Engineering Services
Mark S Williams Head of Community & Leisure Services

Appendices:
Appendix 1 Bargoed Ice Rink Net cost comparison for events
Appendix 2 Area Forum Allocated Funding
Appendix 3 Community & Leisure MTFP savings options detailed implication notes
Appendix 4 Engineering MTFP savings options detailed implication notes
Appendix 5 Summary of MTFP Savings Options 2015/2016 requiring further consideration

Linked Reports:
Cabinet report 29th October 2014 Agenda Item No 6: Draft Savings Proposals for 2015/2016

Background Item:
Health Improvement Team (HIT) Document: previously circulated