

PLACE SERVICES BUDGET PERFORMANCE UPDATE 2016/17

JOINT REPORT OF THE CHIEF OFFICER FOR COMMUNITIES, PUBLIC HEALTH, ENVIRONMENT AND PROSPERITY AND THE CHIEF OFFICER FOR HIGHWAYS, INFRASTRUCTURE DEVELOPMENT AND WASTE

1. INTRODUCTION

- 1.1 This report covers the reductions/changes to services for 2016/17 and the overall impact on the services.

2. OVERVIEW

- 2.1 A summary of the budget movements across Place for 2016/17, as shown in the budget book, is attached as Appendix A to this report. This shows an overall decrease of £3.4m for Place Services. Of this total £6.1m relate to increases caused by inflation and pressures, along with £9.5m identified as savings/reductions to achieve an overall balanced budget.
- 2.2 However, as ever, this position will be dependent on some volatile areas of the budget e.g. winter and emergency maintenance and waste tonnage levels.
- 2.3 As reported to Cabinet on 9th November Place Services are showing a forecast overspend for the year of £555,000.

3. IMPACT ON SERVICES AND STRATEGIC PRIORITIES

3.1 Economy, Enterprise and Skills

The Service has managed the current service prioritisation targets and minimised the impact on delivering services to residents and businesses. It has focused on increasing external funding and income generation to manage the budget pressures.

The Service has developed Service Level Agreements with the Heart of the South West Local Enterprise Partnership to lead on delivering the People Theme on behalf of the LEP, delivering the Growing Places Fund programme and providing a programme management resource for the Growth Deal Programme. Staff time and costs are recharged to the LEP for these services.

In addition the Service has drawn in significant capital investment into the county through the Growth Deal to support a number of transport schemes, innovation infrastructure at the Exeter Science Park and capital funding to pilot mobile infrastructures solutions. It is also managing skills investments across a number of FE colleges and other training providers. The Service is leading on the Careers Enterprise Company's funded programme across the LEP and has been able to generate a small management fee from taking on this role.

The Service is giving key support in developing the 2015-2020 European Funding Programme, and has also supported a number of bids go forward for support. Included in this has been the successful bid to operate the Heart of the South West

Growth Hub, working in partnership with a range of partners. The Service also acts as the Accountable Body for two DEFRA funded community-led grant programmes which operate across Mid Devon and the East Devon / Blackdown Hills AONB. This generates a small management fee for the Service.

The Devon and Somerset Trading Standards Service is on track to deliver the saving targets with minimal service impact. The new joint service has offered real opportunities, in terms of capacity and reduced overheads to deliver savings whilst maintaining service standards.

The Industrial Estates portfolio is managed by the Economy, Enterprise and Skills Programme and opportunities to generate additional rental and other income are continuing to be explored working with NPS our Joint Venture partner and colleagues from Digital Transformation and Business Support.

3.2 Services for Communities

The Communities portfolio covers a wide range of services that are locally delivered together with the Councils Strategy, Policy and Organisational change functions. The Service overall is on track to deliver within budget for 2016/17

There have been significant changes in the service area with Libraries Unlimited, a new public service mutual organisation, being established on 1st April to deliver Library Services for the County Council under contract.

That change has necessitated some transitional expenses which are being absorbed as far as possible within the overall Services for Communities budget. Further work is being done to finalise ICT, Property and other support service aspects of the change during the current financial year.

The Public Transport team are on target to achieve their budget targets and deliver a modest saving of £65k (being the annual smartcard replacement budget which will not be required until 2017/18). This saving will go some way to mitigate the funding pressures mentioned above in relation to Libraries. In addition the team have recently taken on responsibility for the delivery of non-emergency patient transport on behalf of the Devon CCG and are in the process of taking on full responsibility for Home to School Transport for the County Council.

The current Devon Youth Service is in the process of being established as another public service mutual and will deliver Youth Services in Devon, as a stand-alone organisation, from 1st February 2017 after successfully bidding for the contract let by the County Council.

3.3 Planning, Transportation and Environment

The Planning and Highways Development Management team are meeting their targets for responding to planning applications. The Strategic Planning team are working with Districts to develop longer term Local Plans, notably in the Exeter and Plymouth sub regions. The Minerals Local Plan has recently been adopted which is a major achievement. The Education Planning team have recently refreshed the Education Infrastructure Plan. Overall the Planning Team will meet their budget by a combination of service reductions, staff sharing and charging for services.

The Transportation Planning and Road Safety team are undertaking three significant projects related to the North Devon Link, A30 Honiton to Ilminster and Greater Exeter. There is a predicted overspend in the School Crossing Patrols. This may be covered by the fee income from carrying out capital projects and the aim is to achieve a balanced budget.

The Environment team have achieved significant budget reductions to date and aim to meet their budget. This is partly achieved by raising income from staff secondments and undertaking capital projects.

3.4 Capital Development and Waste Management

A new joint committee, the Devon Authorities Strategic Waste Committee, has been established to bring together the County Council as Waste Disposal Authorities with the Waste Collection Authorities in Devon, and Torbay Council. The committee will enable joint working to improve service efficiencies and levels of service.

The contract to operate the County Council's network of recycling centres continues to deliver the statutory recycling service with an average recycling rate of over 80%. The contract expires in April 2017 and the procurement of a new contract is underway. The new recycling centre on the outskirts Ivybridge is being constructed and is planned for completion in time for the new recycling centre contract.

Residual waste in Devon continues to be treated at the Exeter and Plymouth Energy from Waste facilities. Both facilities generate electricity and the Plymouth plant provides heat to the Plymouth North Dockyard making it a very efficient facility. Work continues to find a non-landfill solution for waste from the north of the County.

The waste savings strategy for 2016/17 has been implemented. Pressures in some areas of the service are being balanced by savings elsewhere. Re-procurement of organic waste contracts has secured savings.

The Capital Development service is delivering a significant programme of schemes including highway (roads and bridges) schemes, schools maintenance and new schools projects. The South Devon Link Road has been opened to traffic and completion of minor elements of the scheme is underway. Construction of the Bridge Road, Exeter improvement scheme is progressing well on site and is planned for completion in the late spring of 2017. The scheme for the construction of a new rail station on the main line at Marsh Barton in Exeter is progressing slowly with the need to complete Network Rail processes before construction work starts. Work on the preparation of a pipeline of schemes on the A382, A361 and A30 continues so that these can progress to construction once approvals are in place and funding becomes available.

The schools maintenance programme is on target and energy efficiency is being integrated into maintenance projects to reduce on going energy costs.

3.5 Highways and Traffic Management

Devon Highways has continued its Strategy of driving efficiency in the delivery of the service, managing demand and enabling community self-help.

The successor Term Maintenance Contract has been awarded to Skanska and mobilisation of the contract is progressing in parallel with demobilisation of the previous contract.

The Highways Infrastructure Asset Management Policy, Strategy and Plan has been updated, which is necessary to secure the maximum Capital funding from Government under the Department for Transport's Incentive Fund.

The condition of the A & B and some of the C road network is holding up due to targeted maintenance on these roads. On some C classification roads and on the unclassified network there are more roads in need of structural repair and there are

significant sections of this network where no structural work can be funded. On such roads, reactive defect correction work only is being carried out.

The Street Lighting service has made good progress on the delivery of the Street Lighting Carbon Savings Programme. This has involved the use of low energy equipment and the incremental delivery of the Part Night Lighting Programme, where lights are switched off late at night in residential roads where it is safe to do so. Through a successful bid to Government, funding is being provided to install low energy LED lighting on main road street lighting, which will save carbon emissions and in the future energy revenue costs.

The Civil Parking Enforcement Service has been successfully in delivering the savings predicted in the business case for bringing the service in-house. The service is focussed on parking management to meet the needs of local communities and deal with issues relating to effective traffic flow, road safety and equitable use of available parking space on the highway.

The savings targets set out in the Highways and Traffic Management savings plan are being delivered. Some areas of the plan have not provided the planned savings, but this has been offset by reduced demand in other areas of the service. The impact of reduced spending on some types of work is being offset by more communities stepping up to supplement the service provided and delivery community priority work.

4. CONCLUSION

- 4.1 Overall targets and priorities attached to the savings identified during the budget process are being achieved although there has been an impact on services. Overspends in volatile areas are now becoming harder to accommodate within the overall bottom line as most service areas are now working to very tight financial envelopes.
- 4.2 We are all aware that public sectors cuts will be with us for the medium to long term. This will place a greater pressure on areas which are already struggling to maintain core services.

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Electoral Divisions: All

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**Appendix A
To HIW/16/7**

How the 2016/17 budget has been built up

	2015/16 Adjusted Budget	Changes	2016/17 Outturn Budget
	£'000	£'000	£'000
Capital Development and Waste Management	27,637	2,299	29,936
Economy and Enterprise	1,219	95	1,314
Highways and Traffic Management	34,518	(2,199)	32,319
Planning, Transportation and Environment	5,351	(490)	4,861
Services For Communities	28,604	(3,100)	25,504
Total	97,329	(3,395)	93,934

Reasons for the change in the Revenue Budget

**Change
£000**

Technical & Service Changes

CDWM - Landfill Tax increase	188
CDWM - Tonnage growth and changed disposal method	1,249
CDWM - loss of income and increased recycling centre costs	900
E&E - technical adjustment for loan guarantee	(40)
E&E - revenue match for BDUK project	291
PTE - Sustainable Urban drainage work	85
Communities - Changed funding for bus routes	132
Inflation and National Insurance	3,200
National Living Wage	106

6,111

Savings requirements

(9,506)

(3,395)

Analysis of Savings Strategies

Restructure team, turnover management and digital process changes	(973)
Generating additional income	(368)
Reduction in activity and project budgets	(404)
Public Transport Support reductions (Cabinet SC/15/9)	(781)
Revised Funding for transport and highways	(2,108)
Cuts to arts and heritage support	(306)
Contract savings through efficiencies and revised arrangements	(1,373)
Efficiencies from externalisation of Library Service (Cabinet SC/15/23)	(908)
Reduced spend on Highways activities	(2,285)
	(9,506)