

ENVIRONMENT SCRUTINY COMMITTEE

7th JANUARY 2008

**Report by the CORPORATE DIRECTOR ENVIRONMENT
AND FINANCIAL CONTROLLER**

BUDGET 2008/9 UPDATE

1. Purpose of Report

- 1.1 To advise members of progress with the budget setting exercise for 2008/9 with particular reference to the Environment Directorate.
- 1.2 To seek members views on the proposals for cost saving and the directorate's prioritisation of the bids for additional resources for service pressures next financial year. The Committee's views will be made known to Cabinet at the next appropriate meeting.

2. Reason for Submission of Report

- 2.1 It is part of the normal budget setting process for Cabinet to seek the views of Scrutiny Committees on the detailed budget proposals for directorates for the following financial year.

3. Position to date

- 3.1 Cabinet has received reports on the provisional WAG funding settlement for 2008/9 to 2010/11, together with the likely impact of inflation in 2008/9 and the proposals from directorates on savings and bids for additional resources. Members are requested to refer to the relevant papers from the last two Cabinet meetings for the detail.
- 3.2 It is clear that the poor level of additional financial support from the Assembly will make it difficult for the Council to provide additional resources for services and keep Council Tax increases low, without identifying further spending savings. This work is continuing with CET looking to identify further savings in spending for the next 3 years.
- 3.2 The directorate's current proposals are detailed in appendix 1 & 2 to this report and members comments on the deliverability and reasonableness of these proposals will be passed on to Cabinet.

4. **Directorate Commentary**

- 4.1 This year's budget represents a formidable challenge for the Environment Directorate. Although a significant amount of efficiency savings have been suggested within the report, and many of these have been accepted in principle, it is inevitable that further savings required will result in cuts to service provision. In addition, the lack of money to support any of the pressures facing the Environment Directorate, could lead to problems in future years.
- 4.2 The circumstances surrounding the waste budgets for the forthcoming year are particularly difficult. The failure of the Assembly Government to provide money for the landfill tax escalator, an additional £8 per tonne this financial year, will have severe implications on the budget, if unfunded. Additionally, this comes at a time when the Council needs to roll out a further phase of its fortnightly collection scheme if the 2009 targets are to be met, and commence procurement of new waste treatment facilities on a collaborative basis across North Wales, if the 2013 targets are to be met. Failure to achieve all of these will result in significant financial penalties to the Authority for failing to meet targets which have been set by the Assembly Government.
- 4.3 Elsewhere, we remain concerned about the significant backlog of Health and Safety and repair and maintenance within the Council's portfolio of buildings. The transfer of parts of the school meals function to the Directorate as part of the Chief Executive's recent restructuring, has resulted in a significant transference of risk in school kitchens, to add to the many other burdens of a health and safety nature we are trying to resolve. These issues all present significant risks to the Council.
- 4.4 We are also aware of the significant pressure placed on Local Members, arising from public demands to improve the quality of the Public Realm Service. The service has been reorganised during the current year, and we believe that the improvements that this has brought are tangible. Nevertheless we have reached a point where better service will need additional money. As things stand it is unlikely that any prospect for additional resources will be available during the forth coming budget round.
- 4.5 On balance, whilst unhappy at the additional level of resources allocated to the Directorate when placed against the significant pressures we face, this is a budget where I think we are continuing to deliver, year on year, increased efficiency within the Environment Directorate.
- 4.6 One final issue for consideration is the future of the Council's prudential borrowing arrangements to fund Capital works. We have been almost entirely reliant on the additional money coming from prudential borrowing, to fund important areas of schools and highway maintenance. It is particularly the case because of the large reduction in the highways revenue budget which took place in the current financial year. In the event that the Council is unable to continue to support prudential borrowing into the future to deliver additional

capital, it is likely that we will fail to meet our obligations in terms of highway and building maintenance.

5. Consultation Carried Out

Two rounds of Directorate meetings with Lead Members have been held to review savings proposals and bids for additional resources. Cabinet have debated the position at two meetings to date. CET has considered the position on several occasions. A seminar for all members on the budget is planned for early January.

6. Implications on Other Policy Areas

The level of resources available and the cost effectiveness of service delivery, impacts upon all the services of the Council.

7. Background Papers

Cabinet budget setting reports to meetings on 27 November and 18 December 2007.

8. Recommendations

- 8.1 That members review the directorate savings proposals and bids for additional resources in 2008/9 and comment accordingly to Cabinet.

Contact Officers:

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Roger Parry, Financial Controller
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Saving proposals that fit the definition of Efficiency Savings

| Details of proposals | £000 | Potential impact on service |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Service-All Departments | | |
| i) Reduce staffing levels in workforce reduction plan. Directorate restructure following departure of a number of senior officers | 170 | Includes restructuring in:- Transport & Infrastructure, Development Control & Policy, Conservation, Business Support, Asset Management, European team, Payments team and PPP Admin |
| ii) e-working and continued property rationalisation £50K target iii) reduction in staff travel – 10% £38K (target 07/08) iv) Improved sickness absence management in Environment £10K v) implementation of internal business process re-engineering net of costs £20K vi) Produce an Energy Efficiency Policy £10K (directorate savings) | 50 | We will aim to deliver £50K of these as part of the Budget savings targets for the Directorate during 2008/09 |
| 2. Service-Transport & Infrastructure | | |
| i) Passenger Transport – conversion of St Asaph bus service to taxi | 16 | This would be a replacement (for the Rhyl area) of the St Asaph Business Park bus with a taxi service. |
| 3. Service-Environmental Services | | |
| i) Street Lighting - stop night-time inspections | 7 | We would not be able to submit P.I. data – but other Councils have taken this step e.g. Powys |
| ii) Street Lighting - increased fees & charges | 5 | Re-allocate proportion of Street Lighting engineer's time into the contracting arm of the operation |
| iii) CCTV - reductions in overtime working | 6 | Increased overall staff numbers (2 part timers now employed) |
| iv) Cemeteries - increase charges by 15% | 3 | Net Amount (there are also cost pressures in this service area) |
| v) Closure of Llangollen CA Site | 15 | Net anticipated saving |
| 4. Service-Finance & Performance | | |
| i) Reduction in cost of external audit of Objective 1 projects | 5 | Savings in corporate external audit budget. Reduced WAO workload due to high standards of record keeping/processes |
| Total Efficiency Savings | 277 | |

Other Savings proposals

| Details of proposals | £000 | Potential impact on service |
|-----------------------------------------------------------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Service-Planning & PP | | |
| i) Increase Development Control income | 15 | |
| ii) Increase Licensing income | 5 | |
| iii) Reduce Contaminated Land budget | 5 | Less spend available to survey sites |
| 2. Service-Transport & Infrastructure | | |
| i) Cancellation of weed-spraying programme | 28 | Potential hazards to pedestrians and untidy appearance. Likelihood of blocked drains and channels. Increased structural maintenance potential due to damage by roots etc. |
| ii) Removal of image improvement spending | 20 | Poor appearance and greater need to use other already stretched budgets |
| iii) Significant reduction in Road Sweeping budget | 50 | Possible hazards at junctions remaining unresolved. Likelihood of blocked drains and channels plus increased structural maintenance as a result of increased weeds |
| iv) Deletion of school crossing patrol | 5 | Service to be replaced following implementation of a pelican crossing |
| v) Reduction in General Signs & Markings maintenance budget | 10 | Possible compromise in safety when assessing which works need doing i.e. at junctions |
| vii) Reduction in general maintenance and emergency works to Bridges budget | 5 | Likely to produce maintenance backlog in future and may result in knock-on effects to network if weight restrictions and road closures become necessary |
| 3. Service-Environmental Services | | |
| i) Public Conveniences – closure of old Golf Road toilets | 5 | All 'salami slicing' efficiencies have already been achieved – this is the only method of achieving the required saving |
| ii) Stop propagation works at the Botanical Nursery | 20 | Re-deploy staff member - tied in with general reductions in planting in iii) below |
| iii) Public Realm cuts – reduced grass cutting frequencies | 25 | Denbighshire looks a bit less neat and tidy |
| iv) Reduced frequencies of litter collection | 26 | Service reductions (to statutory minimum levels) |
| 4. Service-Finance & Performance | | |
| i) Reduce supplies budgets | 2 | |
| ii) Renegotiate SLA with Flintshire for Joint Emergency Planning Unit | 3 | |
| Total Other Savings | 224 | |
| Total Directorate Savings | 501 | |

PRESSURES/GROWTH

| Priority | Service | Details of proposals | £000 | Impact on service if not agreed |
|--------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Committed from 2007/08 Budget Round | | | | |
| | Environment al Services | H & S bid from 07/08 budget round | 12 | |
| | Environment al Services | CCTV – shortfall from 07/08 budget | 20 | |
| | Development Services | H & S bid from 07/08 budget round | 25 | |
| Inflationary Pressures | | | | |
| | Environment al Services | Street Lighting – energy costs | 23 | Energy increase forecast – latest prediction between 10.8% and 14% rise. Actual rise to be confirmed in December |
| | Transport & Infrastructure | Passenger Transport - impact of increased fuel and insurance costs plus external contractors costs likely to cause an above inflation rise | 14 | |
| | Transport & Infrastructure | Increased fuel costs affecting bitumen prices | 10 | |
| Priorities | | | | |
| 1 | Environment al Services | Refuse Collection & Disposal – procurement costs – residual waste disposal | 250 to 500 | The wide range is due to a) uncertainty over number of L.A.'s participating in the process and b) uncertainties over the levels of extra WAG funding via grants |
| 2 | Planning & PP | HMO PIG funding lost | 70 | Team reduced to very lower numbers |
| 3 | Planning & PP | Need for Section 106 Obligations Officer to ensure development contributions are maximised | 35 | Spend to save bid if funding available |

| | | | | |
|-----------|----------------------------|-------------------------------------------------------------------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4 | Development Services | Loss of LABGI funding | 50 | Loss of staff, reduction in regeneration activity and the ability to draw down match funding |
| 5 | Environmental Services | To improve public realm service – new response team (North) | 75 | Likely that one of the Council's priority areas will be "downgraded" |
| 6 | Environmental Services | To improve public realm service – new response team (South) | 75 | Likely that one of the Council's priority areas will be "downgraded" |
| 7 | Environmental Services | Provision of rural bring sites | 24 | Running costs associated with the provision of a further 6 rural bring sites |
| 8 | Planning & PP | DEFRA funding for Animal Licensing & Welfare not confirmed for 08/09 and subsequent years | 150 | Service no longer possible |
| 9 | Transport & Infrastructure | Street works - costs relating to charity events which affect the highway | 20 | In the past these costs have been covered by the Council but decision needed from Members as to whether the organisers of events should be required to pay these costs. |
| 10 | Environmental Services | Dee Valley CA site (extra running costs) | 15 | Carrog CA site is under pressure from the E.A. (exemption given until 03/09. Llangollen CA site has already closed. New site needs to be double manned to improve recycling rates. Capital bid will also be required |
| 11 | Environmental Services | Waste disposal – extra 230 households approx | 25 | |
| 12 | Transport & Infrastructure | Structures Group – use of new Code of Practice | 30 | Code of Practice for Bridge Assessments came into force in 2005 and needs to be adhered to. This puts greater emphasis on inspections and any resultant remedial works. |
| 13 | Development Services | Nantclwyd House | 25 | Extending the opening for a longer period in 08/09 will result in a budget pressure |

Environment Scrutiny Committee

7th January 2008

Report by the Scrutiny Support Officer

Scrutiny Work Programme

1. Purpose of Report

To review the future work programme for the Environment Scrutiny Committee and to update members on relevant issues.

2. Reason for Submission of Report

To update members on issues relating to the Committee's work and to enable them to prioritise their work programme taking into account corporate priorities, items reported by officers and items of concern to members of the Committee.

3 Development of a Work Programme

3.1 The Constitution of Denbighshire County Council requires scrutiny committees to prepare and keep under review a programme for their future work. The Committee has previously agreed to review the contents of the work programme at every meeting to ensure that the work programme reflects current priorities.

3.2 The work programme attached as Appendix 1 highlights issues identified by members for inclusion or those suggested by officers. The Committee's instructions as to the content of the work programme are requested.

4 Forward Work Programme Update

4.1 The following revision has been applied to the draft forward work programme (appendix 1) for Members to approve or amend.

BREEAM Requirements

4.2 The review of the implications of the Building Research Establishment Environmental Assessment Method (BREEAM) on the Authority's building programme, identified by the Committee in November, has been allocated for June in the work programme.

5 Implications on Other Policy Areas

The development and review of a coordinated work programme will assist the Council in monitoring and reviewing policy issues.

6 Recommendation - That

Members consider the work programme for the Environment Scrutiny Committee as contained in Appendix 1 and approve or revise as necessary.

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Issues for Environment Scrutiny Committee – 2008 Appendix 1

| | Date | Subject | Purpose of Report | Reason for Consideration | Author | Date Entered |
|----|--------|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------|
| 1. | 14 Feb | Delivery of Disabled Facilities Grants Draft report received | To review the role & performance of Planning & Public Protection in delivering DFGs | <i>Scrutiny of Performance</i> Identified by Committee for failing to meet target days for delivery. | Gareth Roberts | Sep 07 |
| 2. | 14 Feb | Update on the Pest Control and the Kennelling & Stray Dog Collection Service | To (a) monitor the progress of the Service following a review of fees and PIs in Feb 2007, (b) review options to reduce cost & other resource implications for kennelling dogs; and (c) to report on methods for managing stray dog collections | <i>Scrutiny of Performance</i> (c) to address the Police's anticipated withdrawal from the collection of stray dogs out of hours. Agreed by the Committee in Feb 07. | Bryn Roberts | Feb 07 |
| 3. | 14 Feb | Training for Planning Committee Members | To monitor member attendance at planning training sessions. | Required under the Protocol agreed by the Committee on 2 August 07 | Graham Boase | Aug 07 |
| 4. | 14 Feb | An Action Plan to implement Local Authority Biodiversity Duties | To seek support for the NERC Act 2006 Action Plan. (Also proposed for LLSC in March 07) | <i>Scrutiny of Performance</i> Requested by Service to integrate the duties into the Council's Services | Moira Young | Nov 07 |
| 5. | 14 Feb | DCC's Environmental Policy | To consider and provide feedback on the proposed environmental policy for Denbighshire County Council. | <i>Scrutiny of Policy</i> For Scrutiny input into the draft policy. | Ewan McWilliams | Dec 07 |
| 6. | 13 Mar | Environment Directorate Performance Report: Quarter 3 | To monitor and challenge performance within the Directorate against agreed targets and objectives. | <i>Scrutiny of Performance</i> To enable the Committee to review and challenge current performance. | Steve Price | July 07 |
| 7. | 13 Mar | Update on Food Safety function, including 'Scores on the Doors | (i) To examine progress against the action plan & other issues and (ii) the food hygiene star rating inspection scheme at food related premises. | <i>Scrutiny of Performance</i> (i) as reported to the Committee in February 06; and (ii) identified by the Committee in October 07. | Emlyn Jones / Graham Boase | Oct 07 |
| 8. | 13 Mar | Directorate Business Plan | To facilitate members' input into the draft business plan. | <i>Scrutiny of Policy & Performance</i> | Terri Fleming | Dec 07 |

Issues for Environment Scrutiny Committee – 2008 Appendix 1

| | Date | Subject | Purpose of Report | Reason for Consideration | Author | Date Entered |
|-----|--------|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------|--------------|
| 9. | 13 Mar | All Wales Comparison Performance Indicators | To consider performance information for the Planning & Public Protection department. | <i>Scrutiny of Performance</i> To enable the Committee to review and challenge current performance. | Eleri Williams | Dec 07 |
| 10. | Mar | <i>Update on enforcement through Fixed Penalty Notices (Information Report)</i> | <i>To review the effectiveness of FPNs issued by PCSOs and Council staff.</i> | <i>Scrutiny of Performance</i> Agreed by Committee on 27 September 07. | Roly Schwarz | Sep 07 |
| 11. | June | Housing Enforcement Team Progress | To report progress against the Action Plan agreed in May 07 & other issues. | <i>Scrutiny of Performance</i> Agreed by the Committee in May 07. | Graham Boase / Glesni Owen | May 07 |
| 12. | June | Environment Directorate Performance Report: Quarter 4 | To monitor and challenge performance within the Directorate against agreed targets and objectives. | <i>Scrutiny of Performance</i> To enable the Committee to review and challenge current performance. | Terri Fleming | July 07 |
| 13. | June | Impact of BREEAM | To review the impact of the Building Research Establishment Environmental Assessment Method (BREEAM) on the Authority's building programme. | <i>Investigative Scrutiny</i> Identified by the Committee in November 2007. | Andrew Dailey | Nov 07 |
| 14. | Nov | <i>Training for Planning Committee Members (information report)</i> | <i>To monitor member attendance at planning training sessions during this civic year.</i> | <i>6 monthly review required under the Protocol agreed by the Committee on 2 August 07</i> | Graham Boase | Aug 07 |

Future Items

| | Subject | Purpose of Report | Reason for Consideration | Author | Date Entered |
|----|---------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------|--------------|
| 1. | Energy Conservation, Renewable Energy & Sustainability. | To review and consider main tasks and priorities as identified by the member/officer working group | <i>Pre-decision Scrutiny</i> Agreed as priority issue by Committee | Graham Boase | Jan 06 |

Issues for Environment Scrutiny Committee – 2008 Appendix 1

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|----|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------|----------|
| 2. | Public Health Issues – Facing Drains & Sewage Systems | To seek Members views on key issues regarding the County's functions in relation to private drainage issues | Agreed as priority issue by Committee | Planning & Public Protection | Jan 06 |
| 3. | Building Control Performance Indicators | To consider progress against the new PIs relating to Building Control | <i>Scrutiny of Performance</i> Agreed by the Committee on 23 March. | Robin Johnston | March 06 |
| 4. | Denbighshire Bio-fuel Trial | To consider the extended trial results on the use of bio-diesel in the Council's vehicles. | <i>Investigative Scrutiny</i> Agreed by the Committee in June 2007. | Graham Taylor | June 07 |
| 5. | Empty Homes Strategy | To investigate the potential for a County Empty Homes Strategy. | <i>Policy Development</i> Agreed by the Committee in June 2007. | Graham Boase / Gary Sumner | June 07 |

UPDATED 27/12/07

Note for officers – Committee Report Deadlines

| <i>Meeting</i> | <i>Deadline</i> | <i>Meeting</i> | <i>Deadline</i> | <i>Meeting</i> | <i>Deadline</i> |
|-----------------|-------------------|----------------|--------------------|----------------|-----------------|
| | | | | | |
| <i>February</i> | <i>31 January</i> | <i>March</i> | <i>28 February</i> | | |

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