

AT A MEETING of the ECONOMY, TRANSPORT AND ENVIRONMENT
SELECT COMMITTEE of the COUNTY COUNCIL held at The Castle,
Winchester on Tuesday, 19 January 2016.

PRESENT

Chairman:
p Councillor Sharyn Wheale

Vice-Chairman:
p Councillor Geoff Hockley

Councillors:

p Graham Burgess	p Rupert Kyrle
p Charles Choudhary	p Peter Latham
p Philip Fawkes	p Steve Rippon-Swaine
p Brian Gurden	p Frank Rust
p Edward Heron	a David Simpson
p Roger Huxstep	p Mark Staplehurst

Also in attendance: Cllr Sean Woodward, Executive Member for Economy
Transport & Environment

117. **BROADCASTING ANNOUNCEMENT**

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

118. **APOLOGIES FOR ABSENCE**

It was noted that Cllr David Simpson had given apologies. The Liberal Democrat substitute member had been invited but did not attend.

119. **DECLARATION OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal interest in a matter being considered at the meeting they considered whether

such interest should be declared, and having regard to Part 5, Paragraph 4 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

120. **MINUTES**

The Minutes of the meeting held on 30 October 2015 were confirmed as a correct record and signed by the Chairman.

121. **DEPUTATIONS**

No deputations were received at this meeting.

122. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make on this occasion.

123. **PRE-SCRUTINY: ECONOMY, TRANSPORT AND ENVIRONMENT DEPARTMENT REVENUE BUDGET 2016/17**

The Committee considered a report and presentation from the Director of Economy, Transport & Environment and Director of Corporate Resources – Corporate Services, regarding the revenue budget proposals for the Economy, Transport and Environment Department for 2016/17 (see Item 6 in the Minute Book). The report was due to be considered at the Decision Day of the Executive Member for Economy Transport and Environment due to take place on 19 January 2016 at 2:00pm.

Members heard that:

- Due to changes in the distribution methodology for allocation of Revenue Support Grant (RSG), the County Council RSG for 2016/17 would reduce by £48million (37.4%), which was £29 million less than had been planned for
 - In addition, the New Homes Bonus would be changing, with some proposed top slicing of funds going towards the future Better Care Fund
 - The Government had used a new measure to calculate an authorities 'core spending power', including an assumption that authorities raise Council Tax by the maximum allowable without a referendum
 - The County Council had predicted to have a £50million budget gap in 2016/17, however with these changes the budget gap would rise to £81.4million. This gap could be met with use of the £55million in the Grant

Equalisation Reserve and by increasing Council Tax by 3.99% (including a 2% social care precept)

- This approach would leave only £0.5million in the Grant Equalisation Reserve for use in future years

- While the County Council technically holds £462million in reserves, £226 million of this is committed to spend (e.g. on the capital programme), £27million is held for risk mitigation, £58million for departments to use for the costs of change, £52million is schools reserves which the County Council does not control, and £20.6million is held as a general reserve (as per the legal minimum required compared to the Council's overall budget). Therefore as at 31 March 2015 only £76.9million is truly 'available' for one off use

- The proposed revenue budget for the Economy Transport and Environment (ETE) Department for 2016/17 is £111million

- Key challenges for the ETE Department were outlined – 70% of spend is on external contracts for provision of services including in highways and waste; staff retention is an issue in some areas, due to the growth in infrastructure projects nationally causing demand for certain skills, meaning we have to compete for staff with the private sector; central government is increasingly offering funding on a competitive basis rather than by grant, which requires investment in developing bids with the risk that they may not be successful; the materials and finishes used on capital projects would need to consider the future maintenance liabilities they would incur; the anticipated increase in housing would increase the Council Tax base, however it would also increase demand for services such as dealing with household waste and recycling

Following questions Members heard:

- That the £9.4million in the Invest to Save reserve was due to be used for projects supporting the transformation agenda

- In order to address the staff retention challenge, consideration was being given to sponsoring young people at University in exchange for them working for the County Council for a certain period once they leave University

- That consideration had been given to alternatives to external contracts, including through the Select Committee in regard to the Highway contract, however it had been determined that a new contract was the best option. The industry had responded positively to the opportunity presented by the new highways maintenance contract, and it was planned to use competitive dialogue to negotiate the best combination of price and quality in the new contract (due to start in 2017)

Members commented:

- That the grant settlement puts the Council in a difficult position, as the budget gap will require use of a significant amount of available reserves this year, and therefore the settlement puts pressure for even more savings to be achieved than expected in order to reach a balanced budget in future years. Therefore, while some Members were unhappy with the position, they supported the budget proposals as they could see no better alternative

The following recommendation was proposed, seconded, and carried by majority vote.

RECOMMENDED:

That the Economy, Transport and Environment Select Committee support the recommendations being proposed to the Executive Member for Economy, Transport & Environment in section 9 (page 6) of the Revenue Budget report.

Recommendation notified to Executive Member

124. **PRE-SCRUTINY: ECONOMY, TRANSPORT AND ENVIRONMENT DEPARTMENT CAPITAL PROGRAMME 2016/17 – 2018/19**

The Committee considered a report and presentation slides from the Director of Economy, Transport and Environment regarding the proposed Capital Programme for the Economy, Transport and Environment Department for 2016/17 to 2018/19 (see Item 7 in the Minute Book). The report was due to be considered at the Decision Day of the Executive Member for Economy Transport and Environment due to take place on 19 January 2016 at 2:00pm.

Members heard that:

- The Economy Transport and Environment Department has a significant proposed capital programme of £183million over 2016/17 to 2018/19
- The capital programme pays for some of the staff in the ETE Department, for example the engineering consultancy team, through recharging of time to projects
- The capital programme for 2015/16 had gone up due to success with bids for funding
- The capital programme would lead to the biggest amount of road building since the 1970's
- The reduction in the budgeted capital programme for 2017/18 on highways maintenance reflected the fact that the agreed Operation Resilience funding package was due to come to an end in 2016/17, and a decision had yet to be taken on any successor arrangement
- Bids were in progress relating to 2018/19 but no

decisions had been announced as yet, therefore there may be adjustments to the capital programme in future once outcomes were known

- The challenge for the capital programme was that there was increasing expectation that funding bids include local match funding

Following questions Members heard:

- That the general spend on flood risk management schemes would remain relatively constant. The reduction seen was due to the increase in this budget in 2015/16 resulting from the match funding the County Council provided in that year for the Hambledon flood management scheme
 - It would become more challenging to match fund schemes in future as local government budgets reduce. Funding would be focused on those areas considered priorities.
 - That it was accepted that communications could have been better to inform the public why the Queens Roundabout improvements had been delayed. The scheme had been brought forward due to a short notice funding availability, and more detailed assessment would have been undertaken if there had been more time. Lessons had been learned from the project

The following recommendation was proposed, seconded and carried by majority vote:

RECOMMENDED:

That the Economy, Transport and Environment Select Committee support the recommendations being proposed to the Executive Member for Economy, Transport & Environment in section 25 (page 15) of the Capital Programme report.

Recommendation notified to Executive Member

125. **PRE-SCRUTINY: HIGHWAYS ENVIRONMENTAL MAINTENANCE SERVICE DELIVERY ARRANGEMENTS**

The Committee received a report from the Director of Economy, Transport and Environment regarding proposed amendments to the current approach to highways maintenance environmental services (see Item 8 in the Minute Book). The report was due to be considered at the Decision Day of the Executive Member for Economy Transport and Environment due to take place on 19 January 2016 at 2:00pm.

Members heard that:

- Savings were being sought in the revenue expenditure on highways maintenance relating to rural

grass cutting, urban grass, shrub and hedge maintenance, weed control and tree maintenance services

- These services were currently delivered via either the Term Highway Contract, or via Agency Agreements with District and Borough Councils

- Rural grass verges were cut twice a year, with areas cut for visibility/safety reasons as and when required

- Districts were paid to undertake a minimum of 6 cuts a year to grass verges in urban areas, which some districts supplemented

- Shrubs and hedges are cut as and when requested by the County, undertaken by districts

- Weed control was undertaken by two sprays a year, through the highways contractor or in some cases by Districts

- New rates for undertaking these services would be negotiated as part of the new Highways Maintenance contract due to start in 2017, and it was proposed that these rates be used in new agency agreements with District Councils. New agency agreements would also ensure Districts provided sufficient detail on the works they undertake to support effective asset management

- Currently four Districts undertake tree services. It was proposed to operate this service on a countywide basis in future for efficiency and consistency.

- It was proposed that rural grass cutting and weed spraying be reduced from twice a year to once a year, and that urban grass cutting reduce by two cuts a year. In addition it was proposed that existing agency agreements with Districts be terminated, and new agreements sought, in line with the new highway contract due to commence in 2017

Following questions Members heard:

- That if weed spraying was changed to once a year, the timing would be moved to the summer, to take advantage of suitable weather. The contractor would be required to take the weather into account in planning when they spray, as this can affect the effectiveness of the treatment. The option would remain to order one off treatments of particular areas if they were identified to be particularly bad

- Districts employ staff to manage tree preservation orders and trees in public spaces such as parks; this proposal was simply relating to trees on highways land

- As highways authority, it was the County Council's responsibility to manage weeds on the highway, therefore this could not be wholesale delegated to District Councils. The County Council would need to retain the ability to performance manage the service against agreed minimum standards

- The County Council is able to respond 24/7 to emergencies regarding trees obstructing the highway
- It was a requirement to provide 12 months notice to Districts of the intention to cease the existing agency agreements, and it was anticipated the coming 12 months would be needed to develop and agree replacement agreements

Members commented:

- That devolution of funding for undertaking services (such as weed killing) should include devolution of choice over how to use that funding
- Some Members were concerned that if not managed effectively, weeds could damage pavements, which could then present a safety risk
- Members noted that weeds on pavements/highways was one of the issues most regularly raised with them by members of the public
- The Chairman requested that consideration be given to Members having the opportunity to provide input to how these services could be provided in the most effective way within the budget available

The recommendations were taken separately, with all carried by majority vote.

RECOMMENDED:

That the Economy, Transport and Environment Select Committee support the recommendations being proposed to the Executive Member for Economy, Transport & Environment in section 8 (page 7) of the Highways Environmental Maintenance report.

Recommendation notified to Executive Member

126. **PRE-SCRUTINY: HOUSEHOLD WASTE RECYCLING CENTRES SERVICE EFFICIENCIES – CONSULTATION PROPOSALS**

The Committee received a report from the Director of Economy, Transport and Environment regarding the proposal to consult the public regarding potential changes to the Household Waste Recycling Centre network (see Item 9 in the Minute Book). The report was due to be considered at the Decision Day of the Executive Member for Economy Transport and Environment due to take place on 19 January 2016 at 2:00pm.

Members heard that:

- Subsequent to publication of the report, advice had been received that the consultation on this topic should be delayed. The consultation document refers to the Council's overall financial position, which wouldn't

be clear until the County Council meeting in February 2016 when the option to increase Council Tax would be considered. Therefore, it was now proposed to launch the consultation in late February, rather than late January as stated in the report.

- The 'Shaping Hampshire' consultation undertaken in summer 2015 had shown Household Waste Recycling Centres (HWRCs) to be well used and highly regarded by the public. However, savings needed to be found from this budget area

- The report was seeking approval to undertake further consultation on proposals to achieve savings, with options including reductions in opening hours and potential site closures. It was planned to present options, including what savings they would generate, and invite those responding to rank the options in order of preference. There would also be a question to ascertain public appetite for a small charge for use of HWRC sites, as while this was currently not a legal option, it could provide an alternative to service reductions, and evidence of the public view on this could be used in lobbying the government for a change in the law

- It was planned the consultation would be open for eight weeks, and promotion of the consultation would include leaflets being handed out at HWRC sites to service users. Meetings had been offered with District Councils to discuss the proposals, and the majority had taken up this offer

Following questions Members heard:

- That an event for Parish Councils was due to be held in the Spring, and this consultation would be mentioned as part of that event

- The County Council had agreed budget envelopes at the October 2015 meeting, therefore there would not be a 'no change' option in the consultation, as savings were required.

- The consultation would not identify specific sites for closure, but would ask the public for their views on how to select sites for closure (e.g. how busy sites are, geographical spread etc)

- It was intended that any changes e.g. to opening hours would be applied universally across all sites, to ensure service availability was as clear as possible

- Residents would be asked for their preference regarding earlier or later opening, to allow for feedback regarding what time of day might best alleviate access issues

Members commented:

- Some Members commented that it was a shame to propose reductions to a service that was highly

regarded by the public.

- It was requested that Parish Councils be engaged as part of the consultation
- That it was important not to make consultation questions loaded in a certain direction, and to provide the opportunity for the public to provide open ended comments
- Members suggested that those responding to the consultation be asked to indicate which their first and second preference HWRC site to use was, as people do not always use their closest site
- Some Members were concerned that fly tipping would increase if HWRCs were not open at times the public wished to access them
- That inviting feedback on methods to identify sites for closure should include context regarding the current spread of sites, so the public could see what impact different approaches may have
- Members requested that the consultation make clear the total amount of savings needed, and the anticipated saving generated by each proposal, so that the public could see that more than one measure may be required to meet the savings target

The following recommendation was proposed, and passed by majority vote. Cllr Kyrle requested it be recorded that he voted against.

RECOMMENDED:

That the Economy, Transport and Environment Select Committee support the recommendation being proposed to the Executive Member for Economy, Transport & Environment that the County Council undertakes a formal public consultation on measures proposed as part of the Household Waste Recycling Centre (HWRC) Service Efficiencies programme, which remains open for eight weeks.

Recommendation notified to Executive Member

127. **REVIEW OF A BOARD LICENSING TRIAL**

The Committee considered a report from the Director of Economy, Transport and Environment regarding progress with the licensing scheme for A-Boards being trialled in Andover Town Centre (see Item 10 in the Minute Book).

RECOMMENDED:

That the trial run it's full 12 month course and a report come back to the committee when the scheme is reviewed at the end of the trial period.

Recommendation be passed to Executive Member

128. **WORK PROGRAMME**

The Chairman presented the Committee's forthcoming work programme (Item 11 in the Minute Book).

The Chairman proposed that the April meeting of the Select Committee be brought forward to March, in order to facilitate pre-scrutiny of items due to go to the March Executive Member for Economy Transport and Environment Decision Day.

RESOLVED:

That the Committee's work programme be approved subject to any amendments made at this meeting.

Work Programme
be updated

Chairman, 17 March 2016