

County Council Business Plan 2014/15

**Comments from the Enterprise, Growth and Community Infrastructure
Overview and Scrutiny Committee (OSC)**

The Committee met on the 5th December to consider the Administration's draft Business Plan proposals. The following attended to answer the Committee's questions:

- Councillor Ian Bates, Cabinet Member for Growth and Planning
- Councillor Mac McGuire, Deputy Leader of the Council (with responsibility for Highways and Community Infrastructure)
- Councillor Mathew Shuter, Cabinet Member for Enterprise and Skills
- Graham Hughes, Executive Director: Economy, Transport and Environment Services
- John Onslow, Service Director: Infrastructure Management and Operations
- Ian Smith, Head of Finance and Performance

The minutes of the meeting provide a full record of the discussion¹.

The Committee agreed that they would like to particularly emphasise the following key issues to inform the development of the final version of the Business Plan:

- The impact of the business plan on the levels of service provided by the council, the condition of its assets, particularly highways and pavements and the impact of the community is not clear and needs to be described
- It is important to be open and transparent about the cuts proposed, the options considered and the consequences of the proposed actions
- The Community Impact Assessments are misleading; they do not show the impacts on the community but purport to show the differential impacts on particular groups
- The OSC were sceptical of the assertions of few negative impacts in the Community Impact Assessments
- The assumptions underpinning the Plan, such as the rate of deterioration of the network, should be explained
- The need to consider alternative sources of funding, including charges, is supported
- The revenue impacts of capital borrowing need careful consideration
- Private Finance Initiative (PFI) costs represent an increasing proportion of the Economy, Transport and Environment (ETE) budget and should be examined to explore opportunities for savings

Further information is provided in Appendix 1

¹ Available [here](#)

Appendix 1 – Key Issues from the OSC consideration of the draft ETE Business Plan

Transparency

Members noted that there are very significant pressures facing Economy, Transport and Environment (ETE) Services over the course of the Business Plan, and that extensive work was still required to ascertain how savings would be achieved between years 3 and 5. These pressures are accentuated by the relative lack of ability to amend fixed budgets for the Street Lighting and Waste Private Finance Initiatives (PFIs).

Cabinet Members acknowledged that in many instances the changes proposed would involve cuts to service levels. Committee Members agreed with this and stressed the importance of being open and transparent about these changes to aid public understanding. The Committee concluded that, in general terms, the descriptions within the draft Business Plan should be made more explicit and clear about what the impacts of the changes / cuts would be on service users. Previous years' budgets and the impacts on performance measures should be presented to enable Members, and the public, to fully understand the Plan.

Community Impact Assessments

The Committee reviewed the Community Impact Assessments (CIAs) produced by ETE. Members were advised that there is a consistent approach to the completion of CIAs across the Council, and that they provide analysis about proposed service changes and whether there would be a negative, neutral or positive impact on those with 'protected characteristics' (i.e. those classified under Equalities legislation plus those deemed to be in rurally isolated or deprived areas). The judgements completed by Officers are on the basis of whether the changes would have a particular impact against these classifications – i.e. more of an impact than would be experienced by the general public on average.

Members noted that almost all of the CIAs showed that the proposals would have a negative or positive impact against the specified groups. The Committee was particularly sceptical about several judgements which indicated that there would not be any negative implications for those living in rurally isolated areas.

Members argued that the title of the assessments were misleading, as they do not in fact provide a 'Community' based assessment. The Committee agreed that it was misleading to present changes that would result in cuts in service levels for the general public as having a neutral or positive impact, and believe the process should be reviewed. Members felt that it would be useful to conduct assessments that genuinely provided an insight into the possible impacts on communities as a whole, in addition to those from the existing specific groups. This would help Members understand and defend the implementation of the final Business Plan.

Assumptions

The Committee felt that the Business Plan could be strengthened through the inclusion of key assumptions underpinning the figures. This would include, for example, information about the condition of the highways (e.g. will depreciate by x% during 2014/15), bus patronage numbers and implementation of the Street Lighting PFI (the numbers of street lights to be erected).

Charging

The Committee understood that the financial situation warranted an in depth look at the potential to increase income through charging. Members were particularly supportive of proposals to levy charges on developers for the pre-application advice from Council Officers which currently is provided free of charge.

Capital Borrowing

The Committee noted that the majority of the Capital Programme had previously been agreed by Council and was focussed on the delivery of statutory responsibilities such as the building of new schools. However, Members emphasised the importance of considering the revenue implications (i.e. the costs of servicing debt) when assessing the discretionary elements of the Programme.

Street Lighting PFI

As previously stated, the Committee was advised that there was limited opportunity to amend the PFI budgets. However, Members suggested that the Council could work with its Street Lighting PFI contractor to see whether it would be possible to extend the length of the contract to ease the pressure on the Council's finances. Officers were willing to investigate this, and referred to changes that had been negotiated when the Highways Contract transferred from Atkins to Skanska.