

Public Document Pack

Mid Devon District Council

Managing the Environment Policy Development Group

Tuesday, 12 January 2016 at 2.00 pm
Phoenix House, Phoenix Lane, Tiverton EX16 6PP

Next ordinary meeting
Tuesday, 8 March 2016 at 2.00 pm

Those attending are advised that this meeting will be recorded

Membership

Cllr D R Coren
Cllr Mrs C P Daw
Cllr R Evans
Cllr R F Radford
Cllr Mrs E J Slade
Cllr J D Squire
Cllr Mrs N Woollatt
Cllr R Wright
Cllr Mrs A R Berry

A G E N D A

Members are reminded of the need to make declarations of interest prior to any discussion which may take place

- 1 **Apologies and substitute Members**
To receive any apologies for absence and notices of appointment of substitute Members (if any).
- 2 **Public Question Time**
To receive any questions relating to items on the Agenda from members of the public and replies thereto.

Note: A maximum of 30 minutes is allowed for this item.
- 3 **Minutes of the Previous Meeting** (*Pages 5 - 14*)
To approve as a correct record the minutes of the last meeting of the Group (attached).
- 4 **Chairman's Announcements**
To receive any announcements that the Chairman may wish to make.
- 5 **Clinical Waste** (*Pages 15 - 18*)
To consider a report from the Head of Finance outlining a redesign of

the Clinical Waste Collection Service.

6 **Budget 2016-17** (Pages 19 - 26)

To receive an update from the Head of Finance requesting that Members consider options available in order for the Council to move towards a balanced budget for 2016/17.

7 **Identification of Items for the Next Meeting**

Note: This item is limited to 10 minutes. There should be no discussion on the items raised.

Play Area Inspection Policy

Review of the new waste collection scheme

Performance and Risk

Air Quality

Financial Monitoring

Chief Executive
Monday, 4 January 2016

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MID DEVON DISTRICT COUNCIL

MINUTES of a MEETING of the MANAGING THE ENVIRONMENT POLICY DEVELOPMENT GROUP held on 24 November 2015 at 2.00 pm

Present

Councillors R F Radford (Chairman), D R Coren, Mrs C P Daw, R Evans, Mrs E J Slade, J D Squire, Mrs N Woollatt, R Wright and Mrs A R Berry

Also Present

Councillor(s) N V Davey

Also Present

Officer(s): Andrew Jarrett (Head of Finance), Andrew Busby (Property Services Manager), Jenny Clifford (Head of Planning and Regeneration), Adrian Cook (Open Spaces Manager), Stuart Noyce (Waste and Transport Manager), Nick Sanderson (Head of Housing and Property Services), Catherine Yandle (Internal Audit Team Leader) and Julia Stuckey (Member Services Officer)

36 APOLOGIES AND SUBSTITUTE MEMBERS

There were no apologies.

37 PUBLIC QUESTION TIME

Referring to item 10 on the agenda, Mrs M Dennis asked if a small amount of the income gained from the rates generated from all of the new build properties at Willand could be used towards the maintenance of play areas.

Referring to item 10 in the agenda, Cllr B Warren from Willand Parish Council, informed the Group that in January 2014 Willand Parish Council wrote to the Chief Executive offering to take over the ownership or lease of the Mid Devon owned half of the Parish Field and to maintain it. This would save Mid Devon money and give the Parish a much improved facility as we would provide more regular maintenance. We received no acknowledgement until we asked. We then heard no more until an intervention by one of our Ward Councillors and then there was a meeting with an officer which resulted in the Parish being offered some of the field provided it supported MDDC in a planning application to build housing on some of the field. This was declined by the Parish Council as there is already a shortfall of green public open space in Willand as confirmed by the MDDC commissioned report. Nothing further has been heard from officers on that point.

As part of our suggested package in relation to offering to take responsibility for some of the play areas in the Parish we included the Parish Field proposals. Apart from attaching our letter to the report, no mention, let alone a recommendation is

made in relation to this part of the proposal after 22 months and in doing so potentially misleading Members as to the overall proposal.

Referring to agenda item 10, Mr K Grantham said that Willand Parish Council has sought to engage with officers and obtain clarification of certain issues ever since this process review and trying to close play areas started. In the absence of clear answers Members of Willand PC have appeared before this Committee on two occasions (March and June 2015) and asked public questions. These questions have not been fully answered. Two officers came and met with the Parish Council at which a number of members of the public and Ward Members were present but yet again some questions remained unanswered, particularly in relation to the future use of the land.

In the absence of answers and clear proposals from officers the Parish Council have tried to move the process forward with the submission of a complete proposal which is before you:- That proposal is detailed and clear and in paragraph 6 of the letter states "we feel that this option is a positive way forward but will not be viable if 'tinkered with'." In paragraph 1.1 of Appendix A it states: "The proposed offers are put forward as a complete package for the duration of the initial arrangement (3 years)."

What is not understood as to these two sentences? What is there to negotiate?

Referring to item 10 on the agenda, Mr R Ursell stated that his question referred in particular to recommendations contained in Annex 2, page 163.

Willand Parish Council has made a very clear and compelling case for MDDC to retain and maintain Chestnut Drive play area. That case points the way to future funding as well as the case for retention. The recommendations in the table will, if adopted by Committee, lead to the imminent closure of the area as the equipment is described as in poor condition and need of refurbishment.

Are MDDC prepared to retain and maintain the equipment in the area in a proper and serviceable manner, at least at its current level, to prevent it being closed or made unserviceable through lack of equipment?

Referring to item 10 on the agenda, Mrs S Taylor informed the Group that her question referred in particular to recommendations contained in Annex 2 on page 163.

Willand Parish Council has put forward firm proposals to officers in the absence of an alternative plan by them to close the areas at Mallow Court and Worcester Crescent. The proposals are part of the whole complete package which has support within the community.

What are the acceptable terms for the transfer of selected play areas to Willand Parish Council to be negotiated by the Head of Housing and Property Services? He has had ample opportunity before now to identify those terms and it is the lack of clear and unequivocal proposals from officers that led to Willand Parish Council submitting their proposals in an attempt to resolve the issues. What is there to negotiate?

The Chairman thanked the members of the public for their questions and explained that answers would be given either at the agenda item or at a meeting to be arranged with Willand Parish Council. The Chairman apologised to those that considered they had not received a satisfactory response and reiterated that there would be further negotiations.

38 **MINUTES OF THE PREVIOUS MEETING**

Subject to an amendment to Minute 33 to read “it was **RESOLVED** that the Open Spaces Manager implement the setting aside of land within each of the Authority’s main public parks for a wild flower bed.” (Proposed by Cllr Mrs N Woollatt and seconded by Cllr Mrs E J Slade), the Minutes were approved as a true record.

39 **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman had no announcements to make.

40 **MEETING MANAGEMENT**

The Chairman indicated that he intended to take items 9 and 10 on the agenda before item 5.

41 **GRASS CUTTING CONSULTATION**

The Group had before it a report * from the Head of Housing and Property Services updating Members on the consultation with Town and Parish Councils regarding the future arrangements of grass cutting of Devon County Council highway verges.

The Property Services Manager explained that this authority had provided a grass verge cutting service on behalf of Devon County Council (DCC) for over 20 years and had been receiving contributions from DCC to provide this service. The cutting of the rural and urban highway verges was a requirement of the highway authority in order to maintain a safe environment for all users of the highway.

DCC had already reduced the frequency for grass cutting on their verges on previous financial years prior to the Tough Choices decision from six cuts and subsequently to four cuts in 2014-15. To maintain a good standard of grass verge cutting across the District, and to mirror adjacent District Council managed grass areas, this Authority’s grounds maintenance team had been providing seven to eight cuts in the Towns and larger parishes, with some of the smaller parishes receiving four cuts per annum, despite the year on year financial reduction and the specification on the number of times the grass verges are cut.

The DCC ‘Tough Choices’ consultation resulted in the decision to reduce the specification on cutting grass verges on land owned by DCC across the District to maintain visibility at road junctions and to restrict the width of the grass that was cut on the roadside verges to approximately one meter from the 1st of April 2015. This decision resulted in reduced funding for grass cutting verges in the 2015/16 year and a funding gap of £30k. The Cabinet approved to meet the funding gap of £30k imposed by DCC from the budget for the 2015-16 financial year. This enabled the authority to maintain standards across the District and to allow time to consult with Town and Parish Councils.

The Property Services Manager had subsequently been consulting with Town and Parish Councils.

Discussion took place regarding:

- Mapping that was available to identify which land was the responsibility of which council was, at times, out of date and officers had spent time with Town and Parish Councils to rectify this;
- The complexity of the proposals and the 'pick and mix' of agreements. The Head of Property Services explained that this was due to the variety of areas of land that needed cutting and their proximity to land belonging to this authority that would be dealt with at the same time, saving on travel expenses and economies of scale;
- The need for ongoing review.

It was **RECOMMENDED** to Cabinet that this authority:

- a) Continue to provide grass verge cutting on Devon County Council highway land in Town and Parishes that have contributed funding based on the 2015/16 budget as detailed in 3.3 and Option 1.
- b) To negotiate with those Town and Parishes Councils who have resolved on Option 1 for a reduction of one cut per annum or to contribute towards one additional cut per annum with reference to 3.4 and 5.5.
- c) To withdraw from the Devon County Council grass verge cutting agreement, where the Town and Parish Councils have resolved to accept funding directly from Devon County Council as detailed in 3.3 /Option 2.
- d) To withdraw from our grass verge cutting agreement with Devon County Council where Town and Parish Councils have resolved to accept Option 3 due to the financial shortfall forecast in Annex A.
- e) Review the ongoing service provision of grass verge cutting in response to the reduction of funding as detailed at 5.6 by March 2016.

(Proposed by the Chairman and seconded by Cllr R Evans)

Note: - * Report previously circulated and attached to signed Minutes.

42 **PLAY AREA CLOSURES**

The Group had before it a report * from the Head of Housing and Property Services providing Members with an update on consultation with Town and Parish Councils regarding play areas identified for potential closure. The report informed Members of the options and restrictions to be considered when identifying play areas for closure, and identified play areas for closure.

The Open Spaces Manager informed the Group that a report had been brought to it on 22 September 2015 to update Members on the consultation with Town and Parish Councils regarding the future provision of play areas, and offering them the opportunity to take them over.

As a result of that report, the Group had requested that officers highlight any issues that may affect the closure of the play areas identified and make recommendations.

Officers had carried out a search on each of the play areas to identify any restrictions that have been placed onto the sites considered for closure.

The annual play area condition survey was carried out in October which categorised the condition of each piece of play equipment, surfacing and fencing; this allowed sites in poor condition to be easily identified.

The Open Spaces Manager explained that the report contained a recommendation for each of the play areas that had been identified for potential closure, as follows:

Close – the play areas in this category were not currently equipped, the play equipment was beyond repair, or the closures were in agreement with the relevant Town or Parish Council.

Managed decline – these play areas had been considered for closure, however the equipment was still in a usable condition. Items in these play areas were considered too good to remove at present. They would be inspected to ensure that they are safe to use, but would not receive maintenance. The equipment would be removed at a time when it became beyond economic repair.

Remain open – these play areas would receive regular inspections and maintenance.

The Officer indicated on maps the play areas proposed for closure and their proximity to other play areas.

Discussion took place regarding:

- The cost of decommissioning equipment;
- What was meant by an open space;
- The purpose of managed decline;
- The possibility of planting wild flowers in decommissioned areas;
- The recommended managed decline of play areas which had received a number of responses during the consultation period and the need for Town and Parish Councils to work with the authority regarding this;
- Tiverton Town Council and other Parish Councils had offered to make a financial contribution to the running of play areas in their area;

- The need for officers to meet with Willand Parish Council as soon as possible to clarify an agreement regarding play areas in the village.

It was **RECOMMENDED** that the Cabinet:

- a) Approve the recommendations within Annex 2 of the report;
(Proposed by Cllr R Evans and seconded by Cllr D R Coren)
- b) That the contributions from Town and Parish Councils towards the running and maintenance cost be noted;
(Proposed by Cllr D R Coren and seconded by Cllr R Evans)
- c) That the Head of Housing and Property Services, in consultation with the Cabinet Member for the Environment, be given delegated authority to negotiate acceptable terms for the transfer of selected play area in Willand to the Parish Council by the end of December 2015.
(Proposed by Cllr R Evans and seconded by Cllr Mrs C P Daw)

Note: - i) * Report previously circulated and attached to signed Minutes.
ii) Cllr R Wright declared an interest as he owned land which lay to either side of a play area in Crediton.
iii) A proposal to remove play areas in Cullompton from the managed declined list was not supported.
iv) Cllr N Woollatt requested that her vote against the decision in (a) be recorded.

43 **FINANCIAL MONITORING**

The Committee had before it and **NOTED** a report * from the Head of Finance presenting a financial update in respect of the income and expenditure so far in the year.

The Officer informed the Group that nothing had changed dramatically since the previous report, there was a projected overspend of £150k mainly due to a change in the valuation of GP surgeries which required a partial refund in business rates.

Funding streams were holding up well although income from the sale of recycling materials had dropped due to market forces.

Note: - * Report previously circulated and attached to Minutes.

44 **DRAFT BUDGET 2016-17**

The Group had before it and **NOTED** a report * from the Head of Finance presenting options available for it to consider in order for the Council to set a balanced budget for 2016/17.

The Officer outlined the contents of the report stating that Service Managers had been tasked with producing savings and substantial savings had been found,

however there was still a budget gap of £827k. It had been reported that the Treasury had reached agreement with four government departments, including the Department for Communities and Local Government, for an average of 30% cut in government funding over the next four years. There was no question that the formula grant would be cut and it was now likely that the Revenue Support Grant of £1.7m would disappear entirely by 2019/20.

Consideration was given to the following table:

Reconciliation of Major 2016/17 Budget Variances

Variances	Amount £000
<i>External items outside of our control</i>	
Reduced formula grant settlement	597
Increased pension contributions - auto enrolment	110
NIC rebate removed from contracted out pensions	180
NNDR GP surgery appeals	100
Pay award circa	100
Falling commodity prices for recycling	125
<i>Subtotal</i>	1,212
<i>Other changes</i>	
Deficit on our 2015/16 budget taken from reserves	187
Increase in sinking funds for asset replacement	132
Increased interest payable	78
Decrease in Collection Fund surplus	32
Income from garden waste scheme	(250)
Increased leisure income	(155)
Increased income from investments	(102)
Contributions from town and parish councils	(100)
Increase Council tax income	(95)
Other net savings	(112)
Draft budget gap for 2016/17	827

Discussion took place regarding:

- Proposed capital spend for the Pannier Market, for which £400k had been set aside. The Officer explained that this would be subject to a robust business case being presented;
- The loss of income from the sale of recycling materials but an increase in tonnage and therefore an increase to income from Recycling Credits;
- Assumptions that had been made for areas such as Council Tax, salary increases and income from areas such as Leisure;

The Head of Finance explained that a further report would be presented in the new year.

Note: - * Report previously circulated and attached to Minutes.

45 CAR PARKING WORKING GROUP

The Group had before it a report * from the Head of Finance updating it with regard to proposals being recommended by the Car Parking Working Group.

The Officer reminded the Group that the Car Parking Working Group had met on several occasions and had discussed pricing, opening hours, amenity car parks and how to maximise income.

He explained that the main recommendation within the report was the pricing strategy and that this was based on current vends, which could be variable.

The Working Group recommended that prices were agreed for one year, to allow for changes to be made before the next financial year where required. The Group had been strategic, ensuring that pricing in the short stay, medium stay and long stay car parks was consistent across the District.

Discussion took place regarding:

- The success of the £1 for 5 hours and £2 for 10 policy;
- Existing dispensations that were in place and the need to formalise them, along with the process for future agreements;
- Discounting for permits and the need for consistency;
- Overnight charging remaining, but a 30 minute free period to be put in place to allow for the collection of takeaways.

It was **RECOMMENDED** to the Cabinet that the pricing proposals within the report be approved, along with the recommendations in section 3.2 of the report.

(Proposed by Cllr R Evans and seconded by Cllr D R Coren)

Note: - * Report previously circulated and attached to Minutes.

46 **PLANNING GUIDANCE FOR WASTE STORAGE**

The Group had before it a report * from the Head of Planning and Regeneration providing guidance for developers on how adequate refuse storage facilities could be incorporated into the design of new residential development schemes both for individual properties and also for communal schemes.

The Officer explained that the design guide had been produced at the request of the Group.

Discussion took place regarding;

- The varying containers that were needed for waste and recycling and the fact that this had been taken into consideration when producing the guide;
- Whether or not the guidance would be enforceable and the role of Building Control;

- Assisted collections for waste and recycling for the elderly and disabled;
- Problems with containers being left out on the street and refuse being put out early.

It was **RECOMMENDED** to the Cabinet that the design guidance be agreed and that officers develop the guidance as a supplementary planning document.

(Proposed by Cllr Mrs N Woollatt and seconded by Cllr Mrs R Berry)

Note: - * Report previously circulated and attached to signed Minutes.

47 **PERFORMANCE AND RISK**

The Group had before it and **NOTED** a report * from the Head of Communities and Governance providing Members with an update on performance against the corporate plan and local service targets for 2015-16 as well as providing an update on the key business risks.

The Audit Team Leader explained that due to the roll out of the new waste and recycling scheme it had not been possible for officers to compile and report performance indicator figures in time for the Quarter 2 deadline. This performance information would be provided in the next report.

The officer also requested that Members discuss whether or not they considered it appropriate to set a target for the issue of fixed penalty notices.

Discussion took place regarding:

- Future work that would be undertaken by the Enforcement Officer;
- Targeting of specific areas with regard to dog fouling and littering;
- The need for Members to be able to identify the number of fixed penalty notices issued but that they should be as and when necessary and not as part of a target for an officer to meet.

It was **AGREED** that performance for fixed penalty notices should be noted within the Performance and Risk report but that the target should be removed.

Note: - * Report previously circulated and attached to signed Minutes.

48 **FIXED PENALTY NOTICES**

At a meeting of the Scrutiny Committee on 5th October 2015 Members requested that the Managing the Environment Policy Development Group consider whether or not officers should be set a target for the issue of fixed penalty notices or whether the emphasis should be on prevention as a priority.

This item had already been discussed in full under the previous agenda item.

49 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING**

Draft Budget Update
Climate Strategy and Action Plan
Clinical Waste

(The meeting ended at 4.50 pm)

CHAIRMAN

MANAGING THE ENVIRONMENT PDG
12TH JANUARY 2016:

A GENDA ITEM:

Redesign of Clinical Waste Collection Service

Cabinet Member Cllr Neal Davey
Responsible Officer Waste & Transport Manager

Reason for Report: To consider and agree the recommendations for Cabinet on the approval for the redesign of the clinical waste collection service. If the recommendations can be implemented fully, this could enable the Council to reduce costs by approx. £16,200 per annum and ensure that we continue to comply with all relevant legislation.

RECOMMENDATION(S): That the PDG recommends to the Cabinet the following recommendation:

- (i) That a separate clinical waste collection is offered only for hazardous or infectious clinical waste. This means that offensive waste, such as sanitary protection products, will be collected and disposed of via ordinary residual waste collections;
- (ii) That additional rubbish capacity is therefore provided to households generating offensive waste. This will mean providing a black wheeled bin, the normal bin supply charge will be waived;
- (iii) That Mid Devon District Council works with healthcare providers to ensure they remove clinical waste that they generate in clients' homes, or that they pay the Council to collect this waste.

Relationship to Corporate Plan: Maintaining front line services in the face of the ongoing funding cuts requires the redesign of services to enable them to continue to be affordable.

Financial Implications: To reduce the costs incurred by Mid Devon District Council in providing a clinical waste service that currently exceeds our statutory duties.

An accurate estimate of likely cost savings will not be practicable until a survey of all our clinical waste customers is completed. However, annual savings of £16,200 could be achievable, if the recommendations made in this report can be implemented fully. This is based on data from other authorities which have made these changes, which indicates a majority of clinical waste currently collected on the service could actually be disposed of as residual waste.

Although the precise level of savings are unknown this will be monitored and assumptions built into future years budgets. Each household removed saves £117 per annum in collection costs and £117 in disposal costs for the county council.

A one off investment of £3,750 for 240 Litre black wheeled bins for those who generate offensive waste to be used and collected with fortnightly residual collections.

Legal Implications: Section 45 of the Environmental Protection Act 1990 requires the Council to "arrange for the collection of household waste". The Hazardous Waste Regulations 2005, the Carriage Regulations 2009 and the List of Wastes Regulations 2005 set out the wastes that require separate collection and how these wastes must be classified and transported.

Where waste is generated by a healthcare worker for people in their own homes, the healthcare worker is responsible for ensuring that the waste is managed correctly; this is part of their duty-of-care (Duty of Care is established in the Environmental Protection Act 1990, Section 34, and the Environmental Protection (Duty of Care) Regulations (England, Scotland and Wales)).

Risk Assessment: Without considering and implementing changes to service delivery, the Council will face the risk that it runs a service that is not affordable or will require deeper cuts to other services to support it. Without the introduction of this change the Council faces increased costs due to the reduction in subsidies from Devon County Council.

Adverse reaction from members of the public who see the diversion of offensive waste into the general rubbish scheme as a cut in service. For the majority, this will mean a bi-weekly rather than a weekly collection of this material. The risk will be mitigated by offering additional containment capacity to suit the customer.

Clinical waste being wrongly classified by the householder: this could result in hazardous or infectious materials being put in the general rubbish container along with offensive waste. Each householder will be offered a visit to assist with the completion of the form.

1.0 Introduction

1.1 Mid Devon Council currently provides separate clinical waste collection to approximately 250 households. The net budgeted spending on domestic clinical waste collection in 2015/16 is £27,000. This service is provided by a contractor on behalf of the Council.

1.2 This service consists of the collection of used needles in secure sharps boxes on an 'on demand' basis and the collection of bagged offensive and infectious wastes on a weekly scheduled basis, with some 'on demand' collections.

1.3 Clinical waste is categorised as below. Throughout Devon, it has been customary to collect all these materials as part of a separate clinical waste collection and send them for treatment by high-temperature incineration. This dates back to guidance issued by Devon County Council in 2000, which adopted a precautionary approach to classification and treatment.

- (i) Offensive (non-hazardous) waste – e.g. incontinence pads, nappies, catheters, stoma bags, dressings, etc., from a person not currently being treated for an infection. These do not legally require a separate collection, nor high-temperature thermal treatment. They can be disposed of via general rubbish collections.
- (ii) Infectious clinical waste – waste from a patient currently being treated for an infection. This waste must be removed via separate collection in a suitably labelled sack.
- (iii) Sharps waste – needles (infectious and non-infectious) – hazardous waste which must be removed via separate collection in an approved rigid container.

1.4 In October 2014 Exeter City Council surveyed their clinical waste customers to establish what waste they were putting into their clinical collection. They achieved a 60% return rate and then sent reminders to the remaining 40%. This will be followed by a telephone call to encourage the highest possible response rate. Data from the initial respondents indicates that for 68% of customers, at least some of their clinical waste is generated through treatment by a healthcare visitor. Furthermore, a majority of

respondents indicated that they put sanitary protection products in their clinical waste sack. Torbay Council also found similar results from a survey they undertook.

- 1.5 This indicates that a majority of clinical wastes currently collected in Mid Devon may not require a separate collection. There is, therefore, scope to reduce the resources dedicated to providing separate collection of these wastes. These resources include, customer support, waste sacks and contractor charges for staff & transport costs.
- 1.6 In addition to the collection costs, the disposal cost for clinical waste is over £260 per tonne due to the need to incinerate the material at high temperature. This requires the waste to be transported to Liskeard, the location of the nearest legally compliant disposal facility, and this cost is borne by Devon County Council.
- 1.7 A number of other English local authorities have stopped, or have never operated, separate collection of offensive healthcare waste. In Staffordshire, waste collection savings of £35,515 pa were achieved from a clinical waste customer base of 280 households. The Staffordshire partnership has developed a toolkit, 'Clinical Waste: A Guide for Local Authorities', which describes a strategy for achieving savings and avoiding potential problems from changing the service.
- 1.8 In order to achieve cost savings across Devon and continue to meet the needs of customers, Devon County Council and several Devon district councils have formed an officer working group, including representatives from the NHS. The involvement of NHS staff in this group has been useful in identifying the needs of healthcare clients and developing appropriate communication methods. It is hoped that this collaborative approach can be extended to the responsibility for removal of clinical waste by the healthcare provider where appropriate. Devon County Council has already written to its NHS contacts to establish a dialogue.
- 1.9 A high proportion of customers receiving a separate clinical waste collection will be experiencing ill-health or will have a disability. 48% of respondents to Exeter's customer survey had their forms completed by a carer, parent or guardian or their healthcare professional. Therefore, any communication requesting information or advising of service changes will be carried out sensitively, with telephone calls and the offer of household visits to explain issues and establish the needs of particular householders. No changes will be made to individual collections until it is absolutely certain that they have received all the required information in a format that they understand.
- 1.10 Special consideration will be given to households where there is limited storage for waste, e.g. in flats.

2.0 Proposed Actions

2.1 In order to implement the recommendations, the following actions will need to take place:

- i) Contact all current customers by letter to ensure they are classifying their clinical waste correctly through a generic form being used across Devon.
- ii) Follow up contact for those that don't reply to letter. This will involve telephone contact and offers to visit householders;
- iii) For those that are identified as putting out offensive waste to deliver a 240 litre wheeled bin and collect with fortnightly residual waste;
- iv) Carry out a risk assessment for the collection of offensive wastes as part of the general rubbish stream. This will consider the needs of customers and collection crews. Likely impacts on collection crews are the additional manual

handling and handling of offensive wastes. These can be mitigated by the provision of wheeled bins where practicable. It is worth noting that this waste will account for less than 1% of our regular crews' rounds, so the additional impacts will be slight. The waste scheme introduced in 2015 has created capacity to absorb this very small increase in workload on residual waste rounds.

3.0 Are there any other options?

3.1 The Council has the legal power to make a reasonable charge for the separate collection of clinical waste in order to cover the cost of the service. However, this means or be among the more vulnerable members of the community.

The exceptions to this principle will be:

- (i) Where healthcare providers are generating waste in their clients' homes, and instead of removing the waste themselves would prefer to pay the Council for this as a trade service;
- (ii) Where residents can put their offensive waste in the fortnightly rubbish collection, but would prefer to retain a weekly collection and are willing to pay a reasonable charge.

Contact for more Information: Stuart Noyce, Waste & Transport Services Manager (01884 244635 snoyce@middevon.gov.uk)

Circulation of the Report: Cllrs, Management Team

Cabinet & Policy Development Groups 12 January 2016

Budget 2016/17 - Update

Portfolio Holder Cllr Peter Hare-Scott
Responsible Officer Head of Finance

Reason for Report: To consider options available in order for the Council to move towards a balanced budget for 2016/17.

RECOMMENDATION: To consider and agree the updated budget proposals for 2016/17 included in Appendix 1.

Relationship to Corporate Plan: To deliver our Corporate Plan's priorities within existing financial resources.

Financial Implications: Now the Council has received notification of its Formula Grant Settlement it is imperative that it matches current and ongoing expenditure plans to estimated sources of income/funding.

Legal Implications: It is a statutory requirement for the Local Authority to set a balanced budget.

Risk Assessment: Service Managers and Finance staff have assessed volatility in income and large contractor budgets, taking account of current and estimated future demand patterns. This position has been revised based on an additional 2 months of financial monitoring information. In addition prudent levels of reserves will also continue to be maintained.

1.0 Introduction

1.1 On the 17 December 2015 the Council received formal confirmation of its Formula Grant Settlement. Our provisional formula grant award for 2016/17 amounts to **£3.04m**. This is unlikely to change significantly and is approximately £130k lower than what we first estimated.

As a direct consequence this increased the draft 2016/17 General Fund budget deficit but other savings proposals have helped to reduce the deficit to circa **£405k**.

1.2 Despite this it is both prudent and a legal obligation that we set a balanced budget and therefore further savings will be required.

1.3 It is useful that the formula grant announcement gave provisional figures for the three years following up to 2019/20: As we had predicted the Revenue Support Grant, which currently stands at £1.7m, will completely disappear by 2019/20. The current and provisional future formula grant amounts are:

	15/16	16/17	17/18	18/19	19/20
	£m	£m	£m	£m	£m
Revenue Support Grant	1.7	1.02	0.5	0.18	0.00
Business Rates	2.0	2.02	2.06	2.13	2.19
Total Formula Grant	3.7	3.04	2.56	2.31	2.19

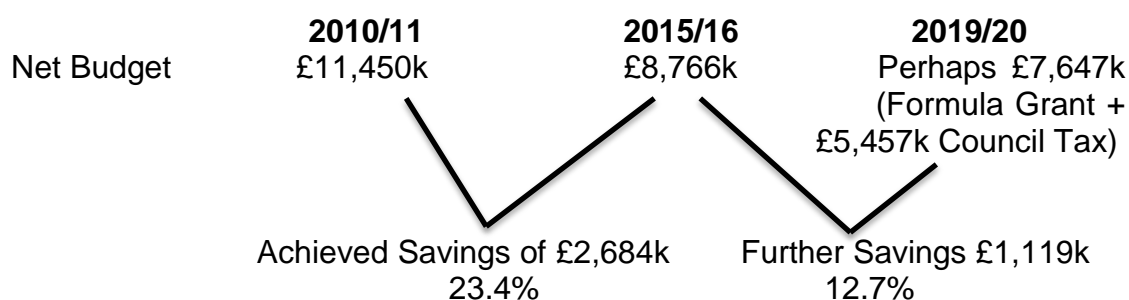
Slotting the provisional Business Rate Retention and Revenue Support Grant figures into the Medium Term Financial Plan shows that by 2019/20 we will need to find approximately **£1.1m** of savings, close to the amount we previously forecast. At this point we still have no details on the proposed changes allowing Councils' to retain more of the business rate income.

2.0 2016/17 General Fund Budget - Revised Position

- 2.1 Since the first round of PDGs and Cabinet meetings the Finance team and service managers have been revisiting a range of budgets to strive to deliver more savings or increase income levels.
- 2.2 This process has improved the General Fund budget by circa £422k (see **Appendix 1**) and now only leaves a budget gap of **£405k**. This reflects a lot of hard work and constructive negotiation over the past 2 months.

3.0 Conclusion

- 3.1 The Council still has approximately one month until the Cabinet will meet on the 11 February 2016 to formally recommend the overall budget and level of Council Tax for 2016/17 and officers will continue to work towards delivering a balanced budget position.
- 3.2 As has been said, on a number of occasions over the past few years, the Council's financial future is going to become increasingly challenging year on year and it is worth reflecting in terms of past, present and the future.



- 3.3 To date we have used the New Homes Bonus grant to fund economic development projects, help fund our capital programme and to fund certain "one off" revenue projects. Some other local authorities are already using the New Homes Bonus grant to various degrees to help fund their day to day spending (revenue expenditure).
- 3.4 So should we use more of ours in a similar fashion? The concern is one of *sustainability*. We do not know whether this funding will be provided indefinitely. In fact the Department of Communities and Local Government is currently conducting a consultation where there is a proposal to cut the grant

awarded to District Councils for new dwellings from six years to four. On top of this there is also consideration of changing the proportions awarded to district and upper tier authorities. This could result in Mid Devon receiving less and Devon County Council receiving more each year.

In the recent grant settlement we had a provisional forecast of our New Homes Bonus grant for future years:

	15/16	16/17	17/18	18/19	19/20
	£m	£m	£m	£m	£m
New Homes Bonus grant	1.6	1.8	1.8	1.2	1.1

You will notice the decrease after 2017/18 where the sum drops to £1.1m by 2019/20.

- 3.5 So how much New Homes Bonus grant do we currently hold? **Appendix 2** shows our predicted balance at 31 March 2015 to be £2,969k. We could fund the budget deficit from this grant which would mean that **£801k** of New Homes Bonus would be used to help fund the 2016/17 budget (the shaded area). However if the reserve is utilised in this manner there will be less monies available to fund future capital and economic projects.
- 3.6 Should this level of supported funding continue year on year then it would comprise circa 73% of our expected grant in 2019/20 and leave little available for capital. Clearly this would be a strategy involving considerable risk in the long term, especially if the grant were to be stopped in its entirety, which is a possibility.
- 3.7 It is also worth mentioning that as a district we are comparatively poor in terms of assets with much of the capital programme funded from “Right to Buy” receipts and the New Homes Bonus grant. We do not have a large portfolio of surplus assets which we could sell and use for new capital projects, some of which could reduce our annual running costs.
- 3.8 As the government is now paying central grants much more on a basis of “payment by results” more authorities are seeking financial security by striving to become self-financing. As an authority we too have broadened our approach. The Tiverton Market Walk project is an example where Mid Devon now has additional income from the shop units to help support the revenue budget, but with increased risks if those units are not let. We also have the benefit of the feed-in tariff from the solar panels installed on Phoenix House and other locations. Whilst this income is beneficial and has helped our position, the amounts that we need to balance our budget in the foreseeable future are significantly higher.
- 3.9 Members have now approved a draft Corporate plan with key defined focus areas, the question is how those aspirations can be met with a *sustainable* budget base, ideally with as much as possible under our own control. Going forward difficult and challenging decisions on the scope and extent of service delivery will be required to meet this objective.

Contact for more information: Andrew Jarrett – Head of Finance
Background Papers: Draft 2016/17 Budget Papers
Grant Settlement Email
File Reference:
Circulation of the Report: Management Team, Members & Relevant Service
Managers

2016/17 Budget Changes (since Nov PDG's)

	£
Budget gap estimated at November/December PDGs and Cabinet	826,890
<u>Confirmed Changes</u>	
Central government Formula grant worse than expected	130,000
Sparsity grant funding + maybe homelessness	(100,000)
Employers pay award based on officers on below SCP18	15,000
Salary reductions after redundancies (elections, CF, Comms, Econ Dev) + backfunding	(130,000)
Grant budget savings	(15,000)
Moorhayes utility saving re solar panels	(2,000)
Add extra planner matched by increased income	
	<hr/> 724,890
<u>Further Proposals and Work in Progress</u>	
2% Council tax increase (No Council tax freeze grant available)	(50,000)
Increased car parking income	(141,000)
Use some of Market Walk "profit"	(150,000)
some form of member budget - i.e. £500 per member for local stuff	21,000
DCC share of waste saving	
Sinking fund for amenity car parks	
Review position on grass cutting	
Apprentice levy - check when starts 0.5% of pay bill - not until 2017	
HRA recharges	
Check HB subsidy	
Change of £1 coins - costs of conversion of car park machines	
New budget gap after the above changes/revisions	<hr/> 404,890 <hr/>

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Appendix 2

New Homes Bonus (NHB) Summary

	£k
Balance at 31/3/15	(1,887)
2015/16 award	(1,613)
Estimated use of NHB to fund 15/16 capital programme	531
Projected balance at 31/3/16	(2,969)
2016/17 provisional award	(1,800)
	(4,769)

Monies Committed in 2016/17 General Fund Budget

Community Development	21
Business Development	43
Digital Strategy Staffing	102
Business Development	100
Legal Services	18
Corporate Training	12
Recycling premises move	100
Budget deficit funding	405
	801

Available for 16/17 Capital Funding / Economic Development Projects

	(3,968)
2015/16 capital programme slippage funding	1,766
2016/17 capital programme funding	1,091
Projected balance at 31/3/17	<u><u>(1,111)</u></u>

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