

**MEMBERS' QUESTIONS**

**AGENDA ITEM 6**

**QUESTION 1**

**MR NIGEL HARTIN** will ask the following question:

As Leader you need to be aware that Performance Scrutiny on the 18 November raised cross party concerns on the apparent lack of a coherent, holistic & joined up approach to the Medium Term Financial Plan. It is of course good news that we now have priorities & strategies in place, something we have long argued should have been in place earlier, however members from all three political parties expressed concern over the lack of information before us from which to properly carry out our scrutiny function, seemingly having to make do with merely commenting on Cabinet decisions already made.

At the meeting I evidenced the current consultation on transferring public conveniences to Parish or Town Councils as highlighting the apparent lack of a holistic approach to the way we are reacting to possible asset transfers and other budgetary savings in failing to consider economic & other knock on effects eg; the effects on tourism and the doubling of parish precepts in some cases. We need a clear overview of how each asset transfer or budgetary savings fits together as part of the whole. In these circumstances would the Leader agree to include proper full community assessments of potential budget decisions re the impact on the vulnerable as part of the consideration of all future budgetary measures.

**THE LEADER** of the Council, **MR KEITH BARROW**, will reply:

Thank you for your contribution to the development of the Medium Term Financial Plan (MTFP).

As you say, we have now identified priorities that are guiding the assembly of the MTFP. And it is to this that I want to turn and discuss in more detail.

It is quite usual for a Council, not to have a detailed budget for next year by early to mid-November. Indeed, given the Settlement date, which is traditionally at the end of November or the beginning of December, it would be unwise to have completed the package so early.

What we did do was to produce a list of initial savings and a broad set of principles that the Scrutiny could review. For example, the policy on income generation was quite ground-breaking. Each month, up to the final MTFP being agreed by the Council next February, the Cabinet is bringing forward further recommended savings for decision. This enables early implementation of any changes, to achieve a full year's savings in 2011-12. So, we are of the view that this offers Scrutiny Members opportunities to

proffer guidance to Cabinet as to how the MTFP should develop, for example, favouring one line of action over another.

Indeed, on the agenda for this meeting there is a detailed report setting out a further phase of recommended saving for decision by Council. More will follow at the Council meeting in January. These are all capable of being scrutinised, as part of the agreed Budget preparation timetable.

I would like to reassure Councillor Hartin that due regard is taken of the various equality obligations under The Equality Act 2010, when proposals with regard to budget reductions are being considered.

## **QUESTION 2**

**MR TREVOR DAVIES** will ask the following question:

In the present difficult financial climate and in the context of some excellent work being carried out by Veolia optimising waste collection routes and in working with the Council to complete our network of waste management centres across Shropshire, would the portfolio holder agree to investigate with our partner Veolia some of the more innovative changes being introduced by other Councils across the Country. An example of this is the move by Daventry Council which has saved it £250,000 a year by moving to collecting waste & recycling only on Tuesdays - Fridays with the following benefits accrued

- The staff still work the same hours, just over fewer days.
- The council has cut the number of collection rounds.
- There are substantial fuel savings - and 40 tonnes of CO2 emissions
- Vehicles can have maintenance done more easily (like on Mondays)
- The crews are still available for emergencies, catch-up and training
- The staff get a 4 day week - (85% voted in favour of this)
- Reduction in disruption caused by bank holidays
- Fewer overtime payments, time off in lieu etc
- More efficient rounds. Time was saved because they can collect from more properties on each round and this reduces the time taken to travel to and from the depot.

Given that Daventry has a much smaller fleet than ours, such a move could potentially provide more significant savings than the £250K achieved by Daventry. There may of course be other examples across the Country of Councils looking hard at ways to save money by working in different ways which maximise staff resources without creating unnecessary redundancies.

**MR M OWEN** the Portfolio Holder for Economy and Waste will reply:

I welcome every suggestion and opportunity to save money and reduce the risk of potential redundancies.

The Council has a very positive and honest relationship with Veolia and continues to explore with the company opportunities for cost savings.

Route optimisation is a key issue for refuse collections emphasised by the fact that refuse freighters travel over 1.3 million miles per annum in Shropshire.

Collection changes do however cause disruption to residents and therefore must be undertaken in a careful and considered way.

Veolia have already undertaken route optimisation work in North Shropshire and Bridgnorth and the Shrewsbury and Atcham area was optimised before transfer to Veolia, a few years ago. There are opportunities for further optimisation of routes in the other parts of the county, and ultimately across the whole county, as the planned waste infrastructure is built, for example the in vessel composting plant and Bridgnorth waste management facility.

Veolia do operate one four-day week contract in the UK and this does deliver benefits, a number of which Cllr Davies has highlighted in his question, but also some difficulties such as longer working days, non daylight working and reliability of the fleet. This experience is extremely useful when considering options.

As the network of new facilities is constructed and the full service is rolled out across the county, further route optimisation will be implemented and the opportunities and risks of a four-day collection considered.

The value and sharing of any savings accrued from further route optimisation would be subject to negotiation between the Council and Veolia.

### **QUESTION 3**

**MR ALAN MOSLEY** will ask the following question:

Could the Portfolio holder explain to members why it has been determined that the highly regarded Street Cleansing Service is to be outsourced within a new highways, grounds and vehicle maintenance contract. The service provides low cost and high quality services to the people of Shropshire and is widely acclaimed for flexibility and responsiveness to local need.

Is this performance not particularly laudable given it is the first year of unitary operation and further improvements can be expected?

On what basis can it be asserted that an external provider will be able to provide a better and/or lower cost service to similar standards and why is an internal bid ruled out of consideration?"

**MR M TAYLOR-SMITH** the Portfolio Holder for Transport will reply:

In response to Councillor Mosley's question, I can confirm that the performance of the street cleaning services within its first 18 months of operation with Shropshire Council has been of a high level. Independent analysis of performance via Association of Public Service Excellence (APSE), Chartered Institute of Public Finance Accountancy (CIPFA), national and internal performance indicators support this position. Hopefully, Members will agree that this is manifested in the service outcomes and standards on the ground, and is reflected within the construction of Councillor Mosley's question.

The service performance, standard, cost of operation and outcomes of the service is not an issue; it is of high quality and is regarded as such.

Councillor Moseley will also be aware that the decision to approve the outsourcing of the "contractor" element of the service has been approved recently by Cabinet, and was subject to debate by Members who approved this course of action.

The issue is wider in that the street cleaning service and the performance of the service should not mask the operational, strategic and financial benefits of an integrated contract, of similar and related functions for Shropshire. An integrated contract, provided by one sole supplier (highways maintenance, Grounds, street cleaning, vehicle maintenance) we anticipate will deliver wider benefits for the Council, rather than having mixed economy provisions without the scale to provide tangible benefits.

An integrated contract, with the inclusion of Cheshire West and Chester Council, will develop a £40 million contract per annum. It is envisaged that this will offer reduced costs to the local authorities on its "global" contract bottom line.

Simple examples would be:-

- Economy of scale in terms of procurement of vehicles, plant material and equipment. Additionally, on an operational level the contractor's ability to deploy resources, and coordinate plant and equipment will reduce ongoing costs due to removal of duplication and single programming and deployment of resources.
- Economy of scale in terms of staff: staff will be able to be multi operable , and be utilised in the most efficient and economic method by the contractor.

Overall contract costs should reduce, and the benefits to the Council should be seen in the light of a competitive tender.

- Additionally, the indirect costs of back office support, administration etc will reduce for the contractor.

An internal bid was ruled out because of the points above. There is a single opportunity to pull various streams of work together and it would not be in the Council's interests to fragment services, because of the loss of scale and

operational and logistical practicalities that we anticipate a single contract will deliver.

Hence the street cleaning service is well positioned to maintain its high level of performance, benefit from an integrated service approach and command reductions in cost to the council, without detracting from its primary role of maintaining and improving the local environment , and sense of well being for our residents, visitors and businesses of Shropshire.

#### **QUESTION 4**

**MR ALAN MOSLEY** will ask the following question:

Could the portfolio holder please provide the following information:

1. What is the likely effect of the recent CSR announcements on DSG for Shropshire Schools?
2. Given the in-year ABG cuts, their projected effects in future years and the reduction/cessation of other funding streams to schools, what is the overall reduction in total revenue available to Shropshire Schools?
3. What is the assessment of the Government's allocation of £7B to support Early Intervention For Disadvantaged Children for Shropshire schools

**MRS AGGIE-CAESAR-HOMDEN** the Portfolio Holder for Children and Young Person's will reply:

1. At the time of writing, we are not able to say what the impact of the recent Comprehensive Spending Review (CSR) announcement will be on the Dedicated Schools Grant. The announcement of the local authority settlement, which is expected to include the DSG, is due very soon. However, changes in what is included within the DSG and the way in which it will probably be presented, means that it will be some time before comparisons can be made and a clear picture given of the effect for Shropshire schools.
2. As above, it is impossible to provide an answer to this question at this time.
3. The Deputy Prime Minister has announced a "fairness premium", a total of £7 billion over the spending review period. This is described as having three elements:
  - an entitlement to 15 hours a week of pre-school education for the most disadvantaged two year-olds (this is expected to grow to £300 million a year by the end of the spending period);
  - the pupil premium which will provide additional funding to schools to target help to pupils eligible for free school meals (this is expected to grow to £2.5 billion a year by the end of the spending period); and

- a “student premium” for the least advantaged students (this is expected to grow to £150 million a year by the end of the spending period).

The Government has also created a £2 billion Early Intervention Grant (EIG) which is expected to replace grants currently funding a range of activity such as Sure Start, teenage pregnancy, substance and alcohol misuse, anti-social behaviour, helping young people into education, employment and training; and possibly free childcare for disadvantaged two year-olds and short breaks provision for children with disabilities. The EIG is not ringfenced and will replace various funding schemes, although it is not clear which ones these will be, and whether its total value will equal the combined sum of those streams or not. The EIG will enable councils to fund early intervention activity. It is not specifically a grant for schools and the grants that it is replacing have not generally formed parts of school budgets.

## **QUESTION 5**

**MR JON TANDY** will ask the following question:-

With regard to the Leaders recent statement reported in the Shropshire Star, can the leader of Shropshire Council clearly state the criteria by which an offer for the Meole Brace Golf Course would be judged "exceptional" . Could he also confirm that the public would be fully informed during any such process, and that a sale would not go ahead without a clear majority of residents and course users conferring their consent, in a properly run local referendum

**THE LEADER** of the Council, **MR KEITH BARROW**, will reply:

The exceptional offer referred to in my statement in the Shropshire Star would be one where both the capital receipt and additional benefits arising for all Shropshire residents were such that they had to be carefully considered. Furthermore as I have said we would carry out full consultations with all interested parties before arriving at any decision, which would be taken in accord with the constitution of this Council.

## **QUESTION 6**

**MR P PHILLIPS** will ask the following question:-

Economic Development must be a priority for enduring prosperity in Shropshire. Will you establish a “Star Chamber” to examine comprehensively all the diverse budget proposals coming forward, to ascertain the impact on Economic Development – and if necessary ask for amendments? The Group could include yourself, your Deputy and the Portfolio Holder.

**THE LEADER** of the Council, **MR KEITH BARROW**, will reply:

Economic Development is a priority for this Administration and we automatically assess the impact of any decisions we make on the economy of Shropshire.