



2018/19 Budget Proposals

Draft Report of the Environment Overview & Scrutiny Committee

24 January 2018

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1. Introduction

A dedicated 2018/19 budget proposals workshop for Members of the Environment Overview and Scrutiny Committee was held on Wednesday 9th January 2018.

This provided the committee with the opportunity to examine in greater detail a number of budget proposals affecting services that fall under the remit of the committee. The budget proposals selected for further examination were identified by the Chair and Party Spokespersons as those deemed to be of greatest significance in terms of value and the public interest.

This report summarises the proposals scrutinised and the comments and suggestions of Members attending the workshop.

DRAFT

2. GARDEN WASTE MARKETING

Summary of Proposal

The Garden Waste Collection subscription service has been in operation for three years and currently has 40,000 paid subscribers. Prior to introducing collection charges there were an estimated 110,000 users of the service meaning there are potentially 70,000 residents who could be attracted back to the service. This budget proposal aims to increase the customer base with a high profile advertising and marketing campaign commencing this summer. A reduced subscription fee of £15 per customer will also be offered for the remainder of this municipal year.

The target is to attract approximately 7500 new customers in year one at £40.00 per subscription. The proposed additional income for 2018/19 is approx. £300,000.

The proposed advertising and marketing campaign could encompass a mix of options, such as advertising the service in the local press and Wirral View, using social media marketing, direct mailings, and targeted advertising at local Garden Centres, GP Surgeries, and Household Waste Reception Centres. Another option is to advertise the service on waste collection vehicles.

Committee Members' Comments

- Members queried the predicted total cost of the advertising campaign quoted by officers at £20-30k. Members requested a more definitive cost breakdown of the advertising options under consideration, including details of costs associated with advertising the service in Wirral View.
- A Member asked if savings on Wirral's waste levy would be achieved if our waste sent to landfill reduced as a consequence of increased garden waste subscriptions. In response officers clarified that the levy contribution calculation was broadly linked to the amount of waste we dispose of and in time, reducing the tonnage sent to landfill would impact positively on our levy. However, Members were informed that there is a time lag of around two years on such changes affecting the waste levy.
- Members suggested a number of additional methods to market the service including the possibility of customers in low take-up areas sharing a bin, and sending promotional material with the council tax bill mailed out to residents. Officers agreed to consider these proposals.
- Members asked if comparisons had been made with other authorities to benchmark average numbers of subscribers. Officers explained that it was difficult to identify like for like comparisons as services in other local authorities vary in terms of costs, number of collections, winter close downs etc. However, price comparisons do indicate that Wirral's annual subscription charge is in the middle of the price range offered by authorities.
- A Member asked if it would be possible to offer smaller bins at a cheaper rate, which may attract residents with small gardens, and asked if waste collection vehicles were set up to collect smaller bins using existing equipment. Officers confirmed that vehicles are equipped to empty smaller bins and agreed to consider this suggestion.

3. LITTER ENFORCEMENT

Summary of Proposal

The current litter and dog fouling contract will reach its maximum permissible three year term in July 2018 therefore a full procurement exercise will be required prior to this. A new supply contract for enforcement of litter & dog fouling services is due to be tendered and the proposed budget savings of £50,000 represents efficiency savings as the future service provider will employ a greater level of efficiency through technology improvements. The saving also takes account of options to generate additional income from other enforcement activities such as trade waste and fly-tipping.

Committee Members' Comments

- A Member asked if more definitive information around the level of expected savings could be provided as the proposal did not specify figures. In response, the officer explained that the current contract is coming to an end in July 2018 and a competitive procurement process would take place to select the new contractor. This process it would identify more accurately the level of savings to be achieved through negotiation with potential partners. Members were informed that soft market testing carried out to date revealed that there was a good level of interest in this contract and this gives officers confidence that the savings are achievable.
- Officers clarified that the saving of £50,000 represents a combination of increased income and efficiency savings. Officers also confirmed that this figure related to the period between July 2018 and March 2019.
- Members welcomed proposals to work with partners to be more imaginative and innovative regarding waste enforcement and to expand activities. An example of exploring trade waste collection arrangements with smaller bars and restaurants was provided.

4. PUBLIC CONVENIENCES CHARGING POLICY

Summary of Proposal

This saving option would seek to review the current use and propose the introduction of a charge at the ten Public Conveniences that fall under the management of the Environmental Health Service to deliver a new income stream of at least £30,000 per annum. The proposal is to introduce a charge per use of 30p in year 1 with an option to increase to 40p in year 2.

Officers have researched the costs of preparing and upgrading the facilities and further detail regarding the condition of and plans for each of the ten public conveniences was provided to Members. Income projections have been calculated based on estimations of usage from front line staff, utility and supplies usage. It is accepted that such estimates are not exact and the predicted usage figures have been estimated conservatively to allow for this.

Based on research and projections the following figures have been put forward:

Total maximum projected income:

Year 1 at 30p = £71,950 all sites, (excluding any additional external financial support).

Year 2 if charge increased to 40p = £93,740 all sites, (excluding any external financial support).

Annual projected meter collection fees (£14 per meter empty);

Year 1 £7,500

Year 2 £9,500

Total projected capital investment; £40,500

Committee Members' Comments

- Members welcomed the report and a Member queried the net income figure of £30,000. The finance officer clarified that refurbishment and preparation costs would come from the Capital budget, so net income from the charges may be higher than the calculations show.
- In response to a query around the energy efficiency of the facilities, officers confirmed that maintenance and efficiency work carried out in previous years has significantly reduced utility costs for these buildings. Additionally, recent recruitment of front line staff has specified that staff must be competent in carrying out minor repairs as part of normal duties and this has reduced the overall maintenance spend on these facilities.
- A Member raised a concern regarding plans to create unisex conveniences at specific locations, particularly on well-known walking routes. It was suggested that this may deter some residents from using the facilities and officers were requested to consider retaining both female and male facilities at these locations. Officers accepted this point and agreed to consider suggestions, although this would involve additional investment of around £1500.
- Members suggested that the introduction of charges would lead to an expectation of better quality facilities. Members were concerned that this may result in increased investment in maintenance and improvements and this could affect the economic viability of the proposal.
- A Member asked if officers had contacted other authorities to gauge the level of usage drop-off after introducing charges and asked if officers had factored some reduction in usage into calculations. In response, officers clarified that a reduction in usage had been factored into calculations, but accepted that projections regarding usage were best estimates.
- A Member queried the legal position regarding charging for the use of urinal facilities. It was subsequently clarified that authorities are permitted to charge reasonable fees for the use of toilets and urinals.
- In response to a query regarding meter collections, officers explained that Parking Services colleagues had been consulted regarding appropriate collection frequencies. Meter collections have been calculated at 10 per week with busier sites being emptied more than once a week and lower use sites less frequently.
- A Member believed that the Council should pursue this option. The alternative options were to continue to operate with no charges which could lead to deterioration as maintenance funds reduce, or to close the facilities to save costs. Both of which were viewed by Members as less desirable options.
- A Member requested that charges at these facilities could be waived for certain events, such as "Wirral Walk Day". Officers agreed to consider this proposal.

- A Member sought clarification around the public conveniences within the borough's Parks and Countryside service and whether the Council was also considering the introduction of charges at these facilities. Officers explained that the current proposals only relate to the ten conveniences managed by the Environmental Health Department. There are numerous public conveniences within the borough's parks and a review of the Council's Parks & Countryside, Leisure and Cultural services as part of the transformation programme will consider the future operation of these facilities. Members suggested that residents will not see this distinction and therefore charging for some, but not all public conveniences would not make sense to residents and could be confusing. Officers accepted the point regarding having consistent policies and agreed to feedback to colleagues in the Transformation team.

5. SELECTIVE LICENSING

Summary of Proposal

Selective Licensing was introduced in 2015 and the budget was set using estimates on the number of licensable private rented sector properties within designated areas using Office for National Statistics data. Assumptions were also made about collection rates. The scheme has generated a higher income than expected in its first two years of operation, and while savings have been offered in previous budget options, it is proposed that the income line for the budget is further increased from 2018/19 by £20,000.

Similarly a budget line for Houses in Multiple Occupation Licensing which is a mandatory scheme will be introduced from 2018/19 and is projected to generate income of £10,000.

Committee Members' Comments

- In response to a Member query, officers clarified that this budget proposal was distinct from plans to extend the Selective Licensing Scheme into four additional areas of the borough this year. It was anticipated that any extension of the scheme would be delivered at no additional costs to the Council.
- Officers explained that a recent broadening of the government definition of Houses in Multiple Occupation would bring more Wirral properties under the scope of this mandatory scheme and would therefore deliver additional income to the Council.

6. SUPPORTING PEOPLE

Summary of Proposal

The proposal relates to two contracts within the area of Supported Housing that could be decommissioned for a £51,000 saving. Contracts providing dedicated support and advice to travellers and traveller households (£30,000), and housing related support to a small number of clients diagnosed with HIV/Aids (£21,000), are due to end. These specialist services will be withdrawn and support will be provided by newly commissioned generic floating support services.

It is anticipated that there will be minimal or no impact on the current clients receiving the services or for future people presenting from the affected client groups, as they will be able to access alternative services if they choose to and meet support eligibility thresholds.

Committee Members' Comments

- A number of Members were interested in exploring the potential impact of these changes on the service user groups. Members asked if the switch from specialist to generic support would affect the quality of support offered. In response, officers explained that the current providers of generic floating support had sufficient capacity, experience and expertise to provide the same level of service to these client groups. Officers were confident that users would not experience any drop in the levels of service.
- Despite these reassurances Members asked officers to gather feedback from other known local authorities who had switched from specialist to generic support for these client groups and to report the experiences of these Councils back to Members in time for the next Committee meeting.
- A Member asked if these proposals were considered by all parties when the generic support services were commissioned, and if taking additional clients would place extra pressure on the service providers, at a cost to their other service users. Officers explained that although the providers were not specifically aware of the client groups at the commissioning stage, the contracts were agreed to allow for the expansion of the scope of the support services, subject to consultation with the providers.
- In response to a Member question around the legal requirement to consult with staff over proposed changes, officers explained that this is not required as the existing contract has been temporarily extended and is due to end shortly.

7. ENERGY EFFICIENCY

Summary of Proposal

The Fuel Poverty and Energy Efficiency budget currently funds a contract with Energy Projects Plus to deliver the Fuel Poverty & Energy Efficiency Programme on behalf of the Council. The aim of this is to reduce fuel debt, provide energy efficiency advice and put those on low incomes on better energy tariffs.

Previously, budget surpluses from this area were used for joint City Region-wide initiatives including the energy efficiency advice line which will no longer be taken

forward by City Region partners. The current year budget surplus of £25,000 can therefore be offered as a saving. The remaining budget will continue to fund the programme's current outputs.

Committee Members' Comments

- A general query was raised about the extent to which other Council departments routinely spend excess budget funds rather than returning any surplus to the Council. The finance officer reassured Members that a number of years of detailed spending and budget reviews across the Council would suggest that this practice is very rare.

8. MERSEYSIDE RECYCLING AND WASTE AUTHORITY (MRWA) LEVY PROJECT

Summary of Proposal

MRWA have the statutory responsibility for the disposal of household waste across the city region. The current Levy (over £15M p.a.) is used to fund these waste disposal services and includes the major Resource Recovery 'Energy from Waste' Contract as well as the operation of Household Waste Reception Centres and the Material Recovery Facility at Bidston. As such, these city region services are not under the direct control of Wirral Council and are under the responsibility of the Recycling & Waste Authority.

In the short-term, waste management costs are expected to increase and we have been advised that projected increases in the Levy for 18/19 and 19/20 are over 11% (£1.75M) and 5% (£900,000) respectively.

A recent city region strategic review of waste functions reported to Leaders in September 2017. As a result of this review and negotiations with City Region Leaders, MRWA have agreed to find a saving on the Levy of approx. £500,000 across the region. Wirral's saving from this equates to a £100,000 per annum saving from 2018/19.

MRWA are looking at ways of achieving this saving and an option would be to find savings from the Household Waste Reception Centres, most likely by introducing a permit system for residents living out of the borough and introducing a charge for the disposal of non-household waste.

Committee Members' Comments

- A Member was concerned that the proposal to charge for non-household waste could lead to an increase in fly-tipping. In response to this, officers explained that MRWA had considered other cost saving measures such as reducing the opening hours or closing some of the Household Waste Reception Centres. After consultation with Members of the Waste Authority Board there was belief that this would lead to an increase in fly-tipping and consequently the option to introduce a non-household waste charge was put forward.

- A Member commented that there is a perception that fly-tipping is a problem in Wirral and these proposals may contribute to it. The Member requested that more information is gathered regarding fly tipping in Wirral, together with evidence from other local authorities. More information may assist Members in understanding the extent of the problem and its contributory factors.
- A Member commented that MRWA should be doing more to reduce the costs to the Council given the overall value of the Levy, and other partners being asked to make savings as part of budget proposals. Officers accepted that the waste Levy is a significant cost to the Council, but clarified that waste disposal costs per capita in Wirral compare favourably with other local authorities.
- Members sought clarification regarding this proposal being identified as a £100,000 saving, when the overall levy costs were increasing by 11.5% (£1.75m). Officers clarified that the constituent local authority leaders had negotiated deferment of levy increases for each of the previous 3 years and it had been expected that this rise was coming in 2018/19. In this regard, the £100,000 represents a saving against the budgeted 11.5% increase in the Levy.
- Members accepted the rationale behind the proposal to introduce a permit system aimed at residents from neighbouring boroughs. It was agreed that that that this should be pursued to close this option to neighbouring residents, or to gain income from their use of Wirral facilities.
- A number of Members asked how household waste would be distinguished from non-household waste. Members were concerned that trade waste permits already exist and this proposal would penalise residents seeking to dispose of waste from DIY projects or other household items such as white goods. Officers believed that this charge would be for building and specialist waste, but agreed to provide Members with further clarification from MRWA regarding this issue.
- A Member suggested an alternative proposal, that a permit system is introduced for all residents for a small administration fee.
- A Member queried the Resource Recovery Contract and believed that this would deliver savings or income for MRWA member authorities in future. Officers clarified that this remained the case and financial benefits are expected to materialise from this arrangement over the longer term.
- A Member asked if, due to the regional nature of this proposal it had already been agreed and was in motion, or did scrutiny Members have an opportunity to voice concerns. Officers clarified that the MRWA levy would be set during February and there would be an opportunity to make representations via Wirral's Members of the MRWA Panel.
- A Member queried if food waste was part of these proposals. Officers explained that the Council is currently considering options regarding food waste separately to these proposals.
- Members expressed general concerns that this proposal may put increased pressure on families through additional charging. It could also lead to increased fly-tipping or concealment of waste, both of which would have negative implications for the Council.

9. SAFER WIRRAL HUB

Summary of Proposal

The proposal relates to an efficiency saving as a result of the integration and co-location of services into the Safer Wirral Hub based at Solar Campus. It is proposed to delete a vacant Admin Officer post, which currently costs £28,581 (Band F) incl. on costs. This post has been vacant for over 18 months and the administration support can be provided by Safer Wirral Hub admin pool now that co-location has taken place. An additional saving of £1,419 will come from underspent supplies budgets and the total proposed saving is £30,000.

Committee Members' Comments

- Members were satisfied with the officer description of this proposal and no further comments were made.

10. ACTIONS

To support further consideration of the budget proposals Members made the following requests for more information to be provided at or before the next Environment Overview & Scrutiny Committee on 31st January 2018:

Garden Waste Marketing

Request for more detail on advertising and marketing costs to allow Members to further consider the costs vs. benefits of the proposals.

Supporting People

Feedback from other local authorities who had switched from specialist support services to generic floating support, with a focus on the impact on service users.

Merseyside Recycling and Waste Authority Levy Project

Feedback from other local authorities who have implemented similar fees for non-household waste, to include any recorded increase in fly-tipping.

Clarification from MRWA of items considered as 'non-household waste' which would be subject to a charge at Household Waste Reception Centres.

Appendix 1 – Workshop Attendance

Members of the Environment Overview & Scrutiny Committee:

Paul Stuart (Chair)
Bruce Berry
Steve Foulkes
Ian Lewis
Tony Jones
Christina Muspratt
Tracey Pilgrim
Tony Smith
Adam Sykes
Tom Usher

Councillors also in attendance:

Phil Gilchrist

Officers

Mark Smith	Strategic Commissioner, Environment
Nicola Butterworth	Assistant Director, Commissioning Support
Andrew McCartan	Commissioned Services Manager
Colin Clayton	Senior Manager, Environmental Health & Trading Standards
Emma Foley	Senior Manager, Housing Services
Mark Goulding	Principal Accountant
Patrick Torpey	Scrutiny Officer