

Economy and Environment Overview and Scrutiny Panel

Friday, 12 January 2018, County Hall, Worcester - 10.00 am

Minutes

Present:

Mr A A J Adams (Chairman), Mr P Denham (Vice Chairman), Mr B Clayton, Mr M E Jenkins, Mr A D Kent, Mr J A D O'Donnell, Ms C M Stalker and Ms R Vale

Also attended:

Mr A T Amos, Cabinet Member with responsibility for Highways
Mrs L C Hodgson, Cabinet Member with responsibility for Communities
Mr A P Miller, Cabinet Member with responsibility for Environment
Dr K A Pollock, Cabinet Member with responsibility for Economy and Infrastructure
Richard Bentley, Partnerships & Strategic Overview Team Leader (Shropshire & Worcestershire) - Environment Agency
Tim Smith, Flooding Analyst, Asset Management - Severn Trent Water Ltd

John Hobbs (Director of Economy and Infrastructure), Nigel Hudson (Head of Strategy and Infrastructure), Matt Maginnis (Flood Risk & Gypsy Services Manager), Emily Barker (Strategic Planning and Environmental Policy Officer), Alison Rainey and Wendy Pickering (Finance Managers (E&I)), Sheena Jones (Democratic Governance and Scrutiny Manager) and Emma James (Overview and Scrutiny Officer)

Available Papers

The members had before them:

- A. The Agenda papers (previously circulated);
- B. Presentation handouts for item 6
- C. The Minutes of the Meeting held on 29 November 2017 (previously circulated).

(Copies of documents A and B will be attached to the signed Minutes).

286 Apologies and Welcome

Apologies had been received from Cllr G R Brookes.

287 Declarations of Interest and of any Party Whip

None.

288 Public Participation

None.

289 Confirmation of the Minutes of the previous meeting

The Minutes of the meeting on 29 November 2017 were agreed as a correct record and signed by the Chairman.

290 Flood Risk Management Annual Report

The Head of Strategy and Economic Development, the Flood Risk Manager, the Strategic Planning and Environmental Policy Officer and the Cabinet Member for Environment had been invited to present Worcestershire's Flood Risk Management Annual Report 2017.

Representatives from the Environment Agency (Richard Bentley, Partnerships & Strategic Overview Team Leader for Shropshire & Worcestershire), and from Severn Trent (Tim Smith, Flooding Analyst, Asset Management) had also been invited.

The Agenda included the Flood Risk Management in Worcestershire Annual Report 2017 and those present summarised the roles and responsibilities of their respective organisations, and the main points from the Annual Report.

In relation to the Annual Report and flooding in Worcestershire, the following main points were raised:

- In addition to the roles of Worcestershire County Council (WCC), the Environment Agency (EA) and Severn Trent, district councils also had duties and powers and also undertook work on behalf of WCC.
- Partnership working with the district councils was described as excellent and it was clarified that duties delegated to them related mainly to land drainage (smaller water courses and ditches). The district councils helped with administering apps, enforcement powers, development of schemes and surface water responsibilities. The role of WCC was more strategic whereas the districts acted as 'partners on the ground'.
- A Panel member pointed out that she was unaware of this relationship with her own district council and queried whether there were different levels of engagement? It was confirmed that whilst relations had been variable, discussions had now

taken place with all district councils and over time partnerships had formed from alignments in the north and in the south of the county.

- WCC's duties came from the 2010 Flood and Water Management Act legislative Acts and importantly, WCC was now a consultee for major planning schemes.
- In response to a query, it was confirmed that virtually no prosecutions had been necessary, which the Flood Risk Manager was pleased to have avoided, although a north Worcestershire issue may prompt this need in the future.
- It was confirmed that flood risk registers included known risk areas (15), as well as potential flood risks. Although predicting all risks was tricky, WCC was confident in its ability to do so, which was based on modelling – this could not be precise however.
- The Chairman asked how knowledge of potential flood risk was gained and the EA representative said that verifying reports of flooding was crucial. Worcestershire had a lot of good archive data as well as that from university projects, theoretical models, all of which was fed back to partners. Not everything could be captured or predicted but challenge was also helpful with this checking process.
- The EA had a dedicated telephone number to direct callers to the appropriate organisational contact, and this would be made available to Panel members.
- Could the public report information using similar online interactive elements as the WCC Hub? The EA had a system for operatives, which it planned to roll out to residents, and the Panel hoped this would be in place for the next update.
- The Severn Trent representative would send through a web-link to report queries.
- Regarding Panel members' queries about residents' individual problems with flooding and who they should contact about the statutory river map, the advice was to contact the WCC Hub. However the Flood Risk Manager was disappointed if normal ways of working had not assisted and would be happy to investigate. The EA representative pointed out that regarding queries over land registry, data from the Agency was an open source.
- The Chairman asked about the difference between permit and consent. An example was if a farmer wanted to do some work to improve

drainage on the land, which some had complained the EA prevented. The EA representative explained that all this information was available online, including applications. The EA looked at the activity involved and environmental considerations were given more weight than under previous legislation. The Chairman would be provided with details clarifying permitted activities about watercourse maintenance and the Flood Risk Manager would also share the web-link to information due to be published.

- A problem was highlighted in respect of ownership of the considerable problems of highway drainage around the A45 going through Shatterford. Was there a policy on this? The Flooding Risk Manager was disappointed to hear about the problems and would investigate, however he confirmed issues were prioritised according to their impact, as not all could be dealt with at once.
- In response to a query about whether there were timescales for the emergency planning and the response aims set out in the report, many of which seemed aspirational, it was agreed that the action plan from the Local Flood Risk Management Plan would be shared with the Panel. Assurance was given that WCC made sure it was prepared.
- A member enquired about a flooding issue related to Redditch Eastern Gateway, which the Head of Strategy and Economic Development would contact him about outside the meeting.
- The Panel asked for an update on progress with Spatial Planning and Sustainable Drainage Systems (SuDS), following previous updates. The Severn Trent representative explained that key to this was whether SuDS were sewers? The Water Industry Act did not refer to SuDS as sewers, therefore Severn Trent could not adopt them. The Government was due to publish guidelines but had not yet done so. However he also referred to proposals being worked on nationally, in order for SuDS features to be broadly defined as sewers if constructed to specific standards. It was not a done deal but the water industry did recognise the gap. SuDS were part of the answer and there was a desire to come up with a sustainable solution.
- The Chairman was aware of SuDS presenting major problems for developers and emphasized the need to tackle this issue, which would otherwise 'come back and bite'. He asked whether the situation would be clearer for the Panel's next update and the Severn Trent representative

believed it would.

- Regarding main river management (3.7 in report), the EA representative spoke about a definite shift in schemes bringing communities on board and giving them options.
- It was confirmed that in Worcestershire the EA had a team of 14 inspectors, and the team had stabilized from previous reductions. An organisational chart for inspectors would be forwarded.
- Regarding natural flood management (3.8), Worcestershire would be benefiting from funding over the next three years and the Severn Trent representative advised that incidences had reduced. A lot of effort was put in, for example working with schools, developers and planners, to highlight problems which caused blockages, such as use of wipes. The Panel pointed out that councillors could have a role in this communication and leaflets and web-links would therefore be provided to them.
- In response to a query, the Strategic Planning and Environmental Policy Officer reassured members that WCC was well resourced to respond to numbers of planning applications and reminded members that the Council was a statutory consultee for major applications (for example 10 or more houses, or of an area larger than 0.5 hectares), of which there were currently approximately 225 a year. However minor applications were not looked at, and were accumulating; this was a national issue which WCC continued to raise. The EA representative advised that EA standard advice aimed to provide a safety net especially in high risk locations.
- 2017 was the anniversary of the 2007 flooding and Flood Risk Manager highlighted the importance of acknowledging this event, the impact of which still affected some residents. Significant work had been achieved since 2007 but there was still much to do.
- The Cabinet Member for Environment emphasised the degree and volume of collaborative working which took place which gave a better informed view and meant that problems arising from previous decisions which shouldn't have been made, could be addressed.

The Chairman thanked everyone for their contribution.

291 Budget Scrutiny: Draft 2018/19 Budget for Economy and Environmental Services

As part of the Council's development of the budget for 2018/19, the overview and Scrutiny Panels were reviewing the draft budget. The Director and the Finance Managers from Directorate of Economy and Infrastructure were present, along with the Cabinet Members with Responsibility for Communities, Environment, Highways, and for Economy and Infrastructure.

A presentation had been circulated, which included key headlines from the Budget Report, key (capital) investments, and transformation reforms for Economy and Environment (E&E) – reforms included reforms to save £3.6m included review of expenditure and income budgets across Environmental and Infrastructure Services, to include Waste Services and street lighting.

However the Panel Chairman pointed out that most of the presentation information related to the overall budget for the Council, and the Panel wanted to look specifically at budget detail for Economy and Environmental (E&E) Services. The Chairman had been expecting to see budget detail for 2018/19 alongside figures for 2017/18, to enable comparison. A final version of the Budget Book extract including figures for both capital and revenue budgets and staff would be available for February Cabinet and Council – the Director of E&I advised that very little would have changed in the final version, however the Panel was disappointed that this detail would not be subject to scrutiny.

Officers obtained more detailed information for the Panel to refer to during discussion.

Examining the presentation and figures, one area which surprised the Panel was the £5m reduction in the Highways Maintenance budget. It was explained that this was subject to an accounting adjustment, through conversion of highways revenue maintenance costs from revenue to capital budget; there was no reduction in actual spend.

The Panel explored further how this worked, and were advised that the low interest rate of 2%+ made borrowing very cheap and value for money. Capitalisation was for a specific period of four years which would then be re-evaluated. Eventually debt service costs would mount, however models would change over the years and this method was seen as a way of dealing with cost pressures for this period of time. The Director gave the analogy of a home owner having the roof tiled; this had

long-term effects and so could be added to the mortgage.

Although the Panel members could understand the rationale behind this as many of the roads and pavements re-tarmacked would last up to 30 years, they sought further clarification about the public perception of this approach, since the Budget Book figures gave the impression that the Highways Maintenance budget had been reduced by £5m, when people wanted the Council to spend more on highways. The Director clarified that only certain items could be capitalised in this way and that the Budget was not being reduced, nor the proposal concealed. The Panel considered it was important that this was communicated.

The Panel referred to the Capital Programme 2017/18 to 2020/21 for the Economy and Infrastructure Directorate included in the agenda papers and the Director was asked to give an update on the areas of variance which had been subject to discussion at the Panel's November meeting.

In Archives and Archaeology Services, work continued to ensure staff were aligned to the functions of the service. In relation to the high accommodation costs from The Hive, as a PFI financed building, the Director had made sure that a service would not be burdened with these costs and therefore this was now displayed separately.

For County Enterprises (a service which employed people with disabilities), the aim was to attract external work and try to balance the budget with a sensitive approach. Costings had been accepted as sitting with the E&I Directorate, with more therefore built into the budget for 2018/19 to accommodate this.

The waste contract was mid-negotiation but the Director was confident that the 2018/19 budget would be achieved. The Director explained how the building of this important council asset was financed using Council money as part of a 'virtual bank'. He agreed that the contract had to be value for money, and would be subject to ongoing scrutiny.

Regarding Scientific Services, there was no change in Place Partnership's decision to cancel the asbestos removal contract which Panel members had been upset to learn about at their November meeting. As a consequence the department had now downsized accordingly and the budget figures reflected this.

Trading Standards used reserves the previous year to deal with restructuring and the new budget reflected this.

In response to a query, it was explained that the jump in expenditure from £472,000 to £330,000 for Trading Standards was related to a Public Health grant for smoking and alcohol prevention, which was allocated to certain services as part of finalising the budget

In response to a query, the Director confirmed that new street lighting column bulbs should be LED, rather than yellow lights and that the programme of replacement was reaching completion. The £4m investment in street lighting referred to in the presentation as part of capital investment of an extra £37.5m to maintain roads and grow the economy, was to address columns at risk of falling, which also presented an opportunity to install LEDs.

In view of reduced costs from LEDs, a Panel member asked whether any analysis had been done to look at the feasibility of replacing lamps with LEDs and leaving them on, which would also address public perceptions about increased crime? However the Director advised that the payback period was too long to be financially viable. It was possible to send the contractor to address individual issues highlighted by councillors.

It was agreed that an update on street lighting would be added to the Panel's work programme.

In response to a query, the Panel was advised that the reserve figure of £450,000 for Economic Development related to a Government grant.

Regarding inflation increases, the Finance Manager confirmed that the budget figures incorporated a provisional pay award of 1%, and would be updated with the confirmed 2% figure. Roughly 3% had been applied to waste services and 14.1% to public transport. Increases had been applied to around 60% of contracts however not all would be up for renewal this year.

The figures for Business Administration incorporated the remaining £300,000 small amount, in order to balance the budget for 2018/19 within the cash limits set.

A Panel member asked whether the Council could consider maximising the 'virtual bank' approach used with the waste plant PFI project, in making loans available to businesses which could generate more income from

292 Work Plan

economic development?

The Director referred to examples such as the Worcester 6 business project and Malvern Science Park, however the role of lender/developer/financer could be an issue for a Local Authority, and it was therefore important to distinguish between projects and those which were of benefit to the public.

The Chairman thanked everyone for their contribution. The comments about the budget proposals would be collated for submission to the Overview and Scrutiny Performance Board and then to the Cabinet for consideration at its February meeting.

The following items were added to the work programme:

- Street Lighting
- Update on Highways work from the Cabinet Member for Highways

The meeting ended at 12.20 pm

Chairman