

Economy and Environment Overview and Scrutiny Panel

Friday, 18 January 2019, County Hall, Worcester - 10.00 am

Minutes

Present:

Mr A A J Adams (Chairman), Mr G R Brookes,
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:

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
Dr C Hotham, Mr P A Tuthill

Tim Smith, Flooding Analyst, Asset Management -
Severn Trent Water Ltd
Dave Edwards, Environment Agency

John Hobbs (Director of Economy and Infrastructure),
Michael Hudson (Chief Financial Officer), Nigel Hudson
(Head of Strategy and Infrastructure), Ian Bamforth
(Highways & Public Rights of Way Operations Manager),
Matt Maginnis (Flood Risk & Gypsy Services Manager),
Emily Barker (Strategic Planning and Environmental
Policy Officer), Steph Simcox (Head of Strategic
Infrastructure Finance and Financial Recovery),
Samantha Morris (Scrutiny Co-ordinator) and
Emma James (Overview and Scrutiny Officer)

Available Papers

The members had before them:

- A. The Agenda papers (previously circulated);
- B. The Minutes of the Meeting held on 14 November
2018 (previously circulated).

(Copies of document A attached to the signed Minutes).

318 Apologies and Welcome

Apologies had been received from the Panel Vice-
Chairman, Paul Denham.

319 Declarations of Interest and of any Party Whip

None.

320 Public

There were 3 public participants relating to Item 6 –
Budget Scrutiny: Draft 2019/20 Budget for Economy and

Participation

Environment, specifically in relation to the proposed budget reductions (of £405,000) to the Worcestershire Archives Service (WAS).

Public Participants

Mark Regan, a service user and historian who also oversaw bell ringing at Worcester Cathedral, made the following points:

- Had councillors seen a business case for the proposed £400,000 budget reduction to the WAS and who had come up with this figure?
- Had consultation taken place with staff and HR, external funders, national professional bodies, the Diocese, users and the public?
- Would other service budgets would be reduced by 60%?
- Was there an impact analysis or risk assessment and had financial scrutiny taken place?
- Worcestershire Archives and Archaeology Service (WAAS) and its location (The Hive) were award winning and he queried what would happen to those services and their accreditation?
- The Council's Chief Executive had said that he would be looking for innovative working to make money, however the WAAS did this already.

Roger Leake, Chairman of the Friends of Worcestershire Archives and a passionate supporter of local and family history made the following points:

- Acknowledging the Council's difficult financial position and the priorities of areas such as Children's Services, the analogy was made of a family with a dairy cow; its slaughter would reduce costs and provide a few meals but would also remove years' of milk supply
- The WAS had already been cut yet was highly recognised and further reduction would mean a likely loss of reputation, accreditation, and income generating records and information such as Shakespeare's marriage bond which could be moved to London. Archive records were also used for planning and legal purposes. The Council as a whole would be affected by this and he urged the Council not to bury the WAS.

Dr Pat Hughes, Committee member of the Friends of Worcestershire Archives and service user since 1974, made the following points:

- How proud the Council could be of the WAAS and its staff, both of which were recognised nationally

and generated interest and income

- Budget cuts would be counter-productive, as referred to by Cllr Lunn at the previous day's Council meeting, who had pointed out that the Service cost only 0.12% of the overall budget and also generated income
- Having written several books in conjunction with universities, Dr Hughes was indebted to WAS staff
- The important role of WAAS in planning applications and legal matters at local and national level; curtailing the WAS would be disastrous.

321 Confirmation of the Minutes of the previous meeting

The Minutes of the meeting on 14 November 2018 were agreed as a correct record and signed by the Chairman.

322 Flood Risk Management Annual Report

In attendance for this item were:

Tim Smith, Flooding Analyst, Strategic Asset Management at Severn Trent
Dave Edwards, Senior Adviser at The Environment Agency

Directorate of Economy and Infrastructure:
Nigel Hudson, Head of Strategy and Infrastructure
Ian Bamforth, Highways & Public Rights of Way Operations Manager
Matt Maginnis, Flood Risk Manager
Emily Barker, Strategic Planning and Environmental Policy Officer
Cllr Tony Miller, Cabinet Member with Responsibility (CMR) for Environment

The Chairman thanked everyone for attending the meeting and invited those present to present the Flood Risk Management in Worcestershire Annual Report for 2018.

2018 had been dominated by the significant flooding in Wythall during which 300 properties had been flooded and this would be reflected through the annual Flood Risk Report. The response from local organisations and councillors during the Wythall incident had been very well received, although scrutiny was always important and the event had triggered the first formal flood investigation under the Council's statutory duty (*Flood and Water Management Act 2010*)

Considerable positive progress had been made during the year and the Report set out the rationale and importance of systems to capture information from events and also the critical role of partnership working, for example in completing a number of flood alleviation schemes.

Over 1600 planning applications had been assessed and commented on for drainage plans over the 12 month period, involving a mix of major and minor schemes, the cumulative impact of which needed to be addressed, although the increase in numbers of pre-application discussions was positive.

The Chairman flagged up concerns about a major application by Codex for 380 houses in his division, which the Secretary of State had given planning permission for. The area was very boggy, and he asked officers to look at this.

Paragraph 3.3 of the Report referred to 150 broken gully connections, when in fact there were 200 broken gully connections which had been repaired. The Flood Risk manager agreed to confirm this to the Panel in writing.

In terms of Ordinary Watercourse Management, it was reported that there was a good relationship with partners and it was rare to take any enforcement action.

The Environment Agency (EA) had continued to deliver its responsibility for the management of flood risk on the 'main rivers' and had responded to 25 planning application consultations and provided flood risk technical guidance on a number of major infrastructure projects and worked with the military to deliver its 'Warn, Inform and Winter Ready' Campaign.

Work on natural flood management sought to manage flow as early as possible to prevent problems further on and the EA had secured £500,000 Government funding for an exciting project focused on the Cotswold Tributaries, Dowles Brook and Barbourne Brook.

A Member referred to the £4m Flood Alleviation Scheme in Broadway to protect 250 homes, whereas 300 homes had actually flooded during the Hollywood event (in Wythall). Whilst acknowledging the unprecedented factors behind this event, local residents were terrified it may recur and he asked what was in progress in protect these homes and stressed the importance of natural flood management.

The Flood Risk Manager reported that a range of measures were being looked on the Alcester Road and also on green spaces. It was confirmed that the funding was not yet allocated. However, the Council was very successful at drawing in such funding from Government or the Regional Coastal Committee and would look to do so when the Plan was clearer.

A member asked whether the representatives present had looked at the Redditch Eastern Gateway planning application part of which was in Warwickshire and the EA representative advised that applications were considered in respect of flood risk to properties, regardless of boundaries - further information would be provided to Cllr Clayton.

Members asked whether block paving driveways impacted on flood risk and was advised that this absolutely was the case since any development increased the area of hard surfacing (urban creep). A 20% allowance was required.

Although permeable products were available, officers advised that advice to the public from paving companies about flooding impact and permeable options would depend on the company. Members felt this was an important issue to communicate to the public and also asked whether urban creep and permeable products were fed into future planning applications and were advised that they were. Officers were keen to establish and support local flood groups with use of social media also.

Severn Trent Water Ltd had continued to deliver its flood risk management duties to take waste water away and risk management work through a range of activities and schemes including two large schemes at Hagley and Bourneheath. Instances of blockages were increasing, often due to wet wipes, which media campaigns had highlighted. Severn Trent continued to support the EA with schemes and was contributing to property flood resilience schemes and flood alleviation schemes which looked at capacity of the network to accommodate growth from development. Long-term planning was now much more high profile and worked in five-year cycles, the latest of which had just been submitted to Ofwat.

The Panel Chairman asked how much Severn Trent had invested in the network in Worcester in the last year, and Severn Trent agreed to follow this up.

A Panel member who was the County Councillor for Wythall asked what was being done regarding sewerage flooding in older areas, including the potential health risks, as experienced recently in his area. The representative from Severn Trent advised that they were working to increase capacity and remove surface water to reduce the likelihood of flooding. The suggestion to help with communications about health risks of sewerage flooding was acknowledged.

The Flood Risk and Gypsy Services Manager agreed to circulate the Incident Response Procedure to the Panel for information.

The CMR for Environment commented that Wythall was a perfect example of an area affected by planning applications, which were difficult to refuse but nonetheless impacted on infrastructure.

A Panel Members asked when planning applications were reviewed, whether the Council and partners were being robust enough with developers. The Severn Trent representative explained that whilst they worked with developers and were usually consulted on planning, the 'teeth' of the process lay with planning authorities and the 'right to connect' remained. Flooding was caused by rain water as well as urban creep and lack of network capacity. Developers were not required to pay Severn Trent and following a Supreme Court ruling, Severn Trent was responsible for enhancements to the network.

A member referred to last year's work on the Redditch Eastern Gateway and asked that in future for more consultation take place with the Council to aid co-ordination of works, to avoid knock on effects to other work being carries out.

The Panel suggested that information regarding flooding be circulated to all councillors, since it had proved very useful for the Panel members.

Contribution was invited from Cllr Hotham who was in the public seating, who asked about moving forward and how areas where flooding measures had been put in place, were revisited and maintained? Cllr Kent agreed that a key outcome from the Wythall experience (KR7 and KR8 in the Investigation Report) was identifying and monitoring maintenance of streams and gullies as well as educating the public so that garden features did not contribute to avoidable flooding; clear lines of responsibility were needed.

**323 Budget
Scrutiny: Draft
2019/20 Budget
Economy and
Environment**

Regarding members' comments about ownership and maintenance of watercourses, the Council's officers highlighted everyone's role in this respect and advised that to a large extent the Council did so and carried out a lot of work to maintain assets, which was a constant cycle and targeted depending on known risks and weather forecasts. The database was excellent although further work was still needed to identify further areas of high risk. There were around 80 or 90 significant locations but around 1700 hotspots and so it was important to prioritise resources since not all of these could be looked at.

The Flood Risk Manager undertook to provide the Panel with a summary of how infrastructure was maintained.

Regarding the Hollywood flooding event, Cllr Kent (County Councillor for Wythall) wished to place on record his praise for the work of the Flood Risk Manager's team over the bank holiday weekend affected. The CMR also thanked the local councillors and pointed out the important role of social media in communications.

In attendance for this item were:

Michael Hudson, Chief Financial Officer
Stephanie Simcox, Head of Strategic Infrastructure Finance
John Hobbs, Director of Economy and Infrastructure
Nigel Hudson, Head of Strategy and Infrastructure
Ian Bamforth, Highways & Public Rights of Way Operations Manager

Cabinet Members with Responsibility (CMR)
Cllr Lucy Hodgson, CMR for Communities
Cllr Tony Miller, CMR for Environment
Cllr Ken Pollock, CMR for Economy and Infrastructure

The Chief Financial Officer (CFO) provided the context to the budget consultation process and advised that comments from the Scrutiny Panels would be discussed by the Overview and Scrutiny Performance Board and reported back to Council.

The key points included:

- that the overall income from grants and council tax would increase by £6.2 million in 2019/20,
- there was £35million of cost pressures from demand led services
- the forecast outturn for 2018/19 at Period 7 was

for a £3m overspend

Paragraphs 8.16-8.20 of the Report referred to Economy and Infrastructure developments and a £6.3m decrease in the net budget base budget, including switch to capital. The appendices referred to savings proposals, the capital programme, reserves and risks. The 2019/20 Budget Book was in draft form but next year they would be available at an earlier stage in the process.

The Chairman invited questions and the following main points were made:

- It was noted that the proposed redesign of the Economy and Infrastructure (E&I) Directorate made it one of the hardest affected Directorates whereas other Directorates had received additional funding. Recalling use of capitalisation during the previous year's budget setting, the Chairman asked about figures for 2019/20 and it was confirmed that £1.5m related to capitalisation.
- The Panel had heard from several members of the public present regarding the proposed reform of the Archives Service and asked whether the proposed saving of £405,000 was a budget reduction? It was established that this was a reduction and was unrelated to accommodation costs around The Hive, which had been previously discussed with the Panel.
- The Director explained that the Archives reform would reduce the Service to its statutory minimum. The reform figure followed consideration of nearest neighbours, as well as data from the Chartered Institute of Public Finance and Accountancy (CIPFA). Analysis showed the Service was off the statistical norm, albeit acknowledging the excellence of Worcestershire's Service.
- Given the competing demands faced by the Council, it would be a case of political prioritisation. Often in such circumstances the Management Team became inventive as in the case of Trading Standards which had undergone a similar exercise and continued to work to satisfaction.
- The Director referred to the recently agreed Notice of Motion to Council, part of which would involve a Member Advisory Group (MAG) looking at the proposals as well as revisiting the Scrutiny Task Group work from 2015 – this work would help build a business case to deliver savings as well as

continued provision of viable services.

- The Director fully accepted the points made from the members of public, but public consultation exercises always ranked heritage services at the bottom in terms of prioritisation of services, which was the reality the Directorate had to work with.
- The CMR for Communities added that the Council was in unprecedented times which meant difficult decisions had to be made, however she pointed out that the commercial part of the Archive Service, which generated income, was separate to the reform plans.
- Whilst cultural services had ranked low in the Council's survey of residents, some Panel members pointed out that this would always be the case with lesser used services but did not mean that the Council should not support such services.
- A Panel member perceived that savings wouldn't be forthcoming unless staff were asked to consider ways to be more efficient and innovative and that this was all part of the Council for the future.
- When asked whether the Directorate was still looking for Archives to perform the same service but with more innovation, the Director reiterated that the target was to provide the minimum statutory service whilst incentivising innovation, and not to the extent that staff were demotivated – getting the balance right would need further work in his view.
- The CMR for Communities pointed out that this was a draft budget and said that she was keen to hear views and wanted to protect as much of the service as possible, although it would be difficult, which was why the MAG had been set up. She referred to the 2015 Scrutiny Report, the aims of which the Service had been working towards.
- The Panel Chairman perceived that Worcestershire Archives and Archaeology Service (WAAS) was very successful in terms of income generated from its employees, having generated £1.47m that year, and the Director agreed that this was very successful and that the aim was for the Archives Service to become as far as possible, self-financing.
- Members asked about potential for further charging for WAAS services, and were advised that a lot of work had taken place about charging, including with district councils, although some were more forthcoming than others – this was

- something it was hoped the MAG could look at
- A Member asked whether a risk assessment would be carried out regarding the potential loss of accreditation, reputation and subsequent reduced income for the WAAS as a result of budget reductions, as referred to by the public participants, to be advised that risks were included in the original proposal and that some could be mitigated by more staff or better IT. The reputation and thoroughness of WAAS staff drew people to use the service and these factors would all be worked through in the business case.
 - When asked how the draft budget saving figure of £405,000 had been reached, the Director advised that the estimate was based on the minimum staff levels to maintain the statutory minimum service, however the reform project was in its early stages and the final answer would be shaped by further discussion and could well be different. Reducing the target would mean finding the money elsewhere. The CMR advised that the MAG would help guide this process and reiterated that this was a draft budget.
 - A Panel Member who had also been part of the Scrutiny Task Group Review of WAAS recalled the findings about income generation, marketing and charging district councils and that this seemed to be taking a long time to achieve and that staff may benefit from expertise elsewhere in the Council or investment? He also asked what would be the potential cut in income generation. The Officers present acknowledged that generation of income had perhaps not been pushed hard enough, however staff were now working very hard and improvements had been made, for example in respect of charging for services linked to planning applications. It was confirmed that the WAAS charged district council planning authorities where applicable. The Field Service was the main driver of income.
 - The Panel requested figures for previous years' income in order to see the trajectory of income increase, and also requested the cost of providing a commercial arm of service.
 - It was confirmed that the public survey was completed by a statistically representative proportion of the population, although everyone acknowledged that people tended to value a service they had used.
 - The Chairman pointed out that based on the discussion and public participation, the Panel may

want to put forward comments to support maintaining the WAAS accreditation which was so important to its reputation and ability to generate income. 5 Panel Members supported this view although some did not feel they had sufficient knowledge at this stage. The Chairman therefore suggested the way forward would be to look for more efficiencies and savings to a point which still maintained the service's accreditation and national reputation and did not see important historical documents transferred elsewhere.

- A Panel member commented that establishment of the MAG to consider the Archives reform was a good outcome from Council's prior discussion and the role of this group in guiding the way forward was acknowledged.
- The Panel discussed the proposed redesign of the E&I Directorate which aimed to save £1.1million, (representing approximately 10% of the Directorate's staff). Members were reassured by the fact that a significant proportion of the savings total (approximately £650,000) would be accounted for by deleting vacant posts.
- The Director conceded that remaining staff would have to work harder, although his staff were adaptable and receptive to change. In general, the approach was to identify the minimum staff needed to be effective, thereby reducing the headcount intelligently.
- A Panel member felt this response made the Directorate reform savings figure more manageable. When asked how the remaining £450,000 would be found, the Director advised that no particular department was being focused on and sometimes there were opportunities for restructuring, for example when a senior manager retired. It was confirmed the E&I Directorate had 473 staff, including some vacant posts and that 22 posts had been deleted to account for £650,000 savings.
- When asked whether such savings reforms improved productivity the Director said this was inevitable and Panel Members commended the E&I Management Team for its leadership in driving increased productivity and innovation from necessary efficiencies.
- A Panel member queried the impact of reforms on staff wellbeing and whether the example of staff on 35 hour contracts working 53 hours was sustainable? In response the Director advised that staff were not complaining, and the general trend

324 Work Programme 2018/19

was to do the work required, however he felt mindful of work demands and flexible working helped. He believed work levels were sustainable.

- When asked about the proposed £500,000 saving through service specification changes to highways maintenance, the Director advised that savings from less road markings would not be safety critical.
- In relation to cost pressures and the projected increase in waste disposal costs (of £0.4million) as the number of households increased, the Panel noted discussions taking place with District Councils on ways to help cover the extra waste disposal costs of garden waste collections in future years and would await the outcome of this.

On behalf of the Panel the Chairman reiterated the need for the Scrutiny Panels to have access to budget figures (2019/20 Budget Book) information to enable effective budget scrutiny and noted that it was the intention next year to provide the Budget Book at an earlier stage in the process to enable more effective Budget Scrutiny. The Chairman requested the new final budget figures (budget book for 2019/20) be circulated to the Panel as soon as they were available since the Panel was keen to monitor figures for both budget and performance throughout the year.

Following the meeting, the Panel's comments would be summarised and reported to the Overview and Scrutiny Performance Board on 24 January.

The Scrutiny Officers undertook to check whether an update on electric charging posts was appropriate for the Panel's meeting on 5 March and to liaise with Severn Trent about the suggestion to look at Severn Trent works teams (including use of contractors).

It was also hoped to include performance information at this meeting.

The meeting ended at 1.10 pm

Chairman