

## **Economy and Environment Overview and Scrutiny Panel**

### **Wednesday, 25 November 2015, County Hall, Worcester -**

### **10.00 am**

#### **Present:**

#### **Minutes**

Dr K A Pollock (Chairman), Mr G J Vickery (Vice Chairman), Mr A T Amos, Mr A A J Adams, Ms P Agar, Mr M E Jenkins, Mr J W R Thomas and Mr P A Tuthill

#### **Also attended:**

Mr A N Blagg, Cabinet Member with Responsibility for Environment, Mr J H Smith, Cabinet Member with Responsibility for Highways  
Mrs E B Tucker

John Hobbs (Director of Business, Environment and Community), Alison Rainey (Finance Manager BEC), Nigel Hudson (Head of Strategy and Infrastructure), Matt Maginnis (Flood Risk & Gypsy Services Manager), Emily Barker (Strategic Planning and Environmental Policy Officer), Suzanne O'Leary (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 5 (circulated at the Meeting)
- C. The Minutes of the Meeting held on 30 September 2015 (previously circulated).

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

#### **225 Apologies and Welcome**

The Chairman welcomed everyone to the meeting. Apologies had been received from Mr W P Gretton and the Cabinet Member with responsibility for Economy, Skills and Infrastructure, Mr S E Geraghty

#### **226 Declarations of Interest and of any Party Whip**

Agenda Item 6 (Flood Risk Management Annual Report) – Cllr Amos declared an interest as Chairman of Worcester City Council's Planning Committee.

#### **227 Public**

None.

## Participation

### 228 Confirmation of the Minutes of the previous meeting

The Minutes of the meetings held on 30 September 2015 were agreed as a correct record and signed by the Chairman.

### 229 Corporate Strategy Planning and 2016/17 Budget: Business, Environment and Communities

In attendance for this discussion were the Director of Business, Environment and Community (BEC), Finance Manager for BEC, and the Cabinet Members responsible for Highways and Environment.

The Panel's discussion would form part of the Council's process for consultation on the 2016/17 budget, and the Director and Cabinet Members had been invited to discuss the budget challenges facing services in 2016/17 and how these were being addressed.

Cabinet's discussion on 19 November had considered the development of the Corporate Plan, FutureFit, and savings proposals which had emerged from the annual corporate strategy planning event. The Agenda papers included links to this information and the Director gave a presentation to provide further information on:

- BEC FutureFit savings
- Shape and structure of 'Economy and Infrastructure'
- Strategic Economic Plan
- Environmental Strategy
- Demand Management in Economy and Infrastructure

#### BEC FutureFit Savings

BEC FutureFit savings totalled £23.120 million, of which £13.939 million remained to be delivered. The Panel was shown a chart to demonstrate the progression and status of savings over the period 2013/14 to 2017/18. Savings delivered totalled £9,181,000, £8,686,000 were on target, £2,281,000 were 'at risk amber', and £2,974,000 were 'at risk red'.

The Director outlined areas of financial risks within the projected savings:-

Previous years' financial risks:

- Council's Corporate Information Management Unit - hopes to make savings had been hindered by the complexity involved
- Libraries re-modelling – although successful overall, this was taking longer than anticipated

because of the decision cycles involved

2015/16 financial risks:

- The Hive – savings opportunities had proved more difficult because of the complexity of the financial structure with other partners
- Children's Transport – targeted savings from the project to persuade parents to take a grant rather than using Council transport provision had been brought forward. Take up was increasing year on year.

2016/17 financial risks:

- Worcestershire Regulatory Services / Trading Standards – Cabinet had recently approved plans to bring the service back in-house, to be able to maximise the service with the available budget
- Project Optimise – work to create more seamless local service delivery was taking longer than expected to deliver savings
- Libraries – it was taking time to increase the numbers of volunteer staff whilst fulfilling required cover for the service

2017/18:

- Children's Transport – as previously
- Libraries – as previously
- Waste Management – targeted with a £0.5 million saving, from a budget of £3 million. Opportunities were being looked at but were not yet certain.

Economy and Infrastructure Directorate

Recent Council approval for directorate re-structuring meant that from 1 January 2016, the BEC Directorate would become Economy and Infrastructure. The new Directorate would be structured around 'strategy', 'projects' and 'operations'. Community Services would move to the newly structured Directorate of Families and Communities.

The new structure was designed to streamline decision-making and ensure additional responsibilities were being added to heads of service portfolios only when value would be added. It was intended to separate day to day operations from long-term strategic planning. The structure would also allow focus on delivery of Worcestershire's economic prosperity and productivity.

There was a big push to move perceptions of environmental strategies away from 'green and fluffy', to being an essential part of Worcestershire's strategic

infrastructure.

The new structure would be project-based, taking a flexible approach to how staff were employed, in order to source good staff from a competitive market.

#### Strategic Economic Plan

The priority investment in infrastructure for Worcestershire had costs of around £226 million. Going forward it would be important to maintain a smooth pipeline in terms of delivering and planning future projects, as this also affected funding.

'Reinvigorate Town and City' was a key aim for the Strategy.

As part of investment in highways and rail, it was anticipated that Worcester's new Parkway rail station would be very successful and create demand.

Critical points and next steps included an exercise to map Worcestershire's congestion, which would help to shape plans to solve congestion.

#### Environmental Strategy

The Environmental Strategy centred on understanding the environment as 'Green Infrastructure', an asset and a resource, as set out in the 19 November 2015 Cabinet papers. For example, pollination had important benefits for Worcestershire as a whole, including its agriculture.

#### Demand Management in Economy and Infrastructure

Demand management was a cross-directorate theme emerging from Corporate Strategy Planning discussions, based on the idea of trying to manage demand for services – for example by changing behaviour, and engineering some of the less efficient processes, with greater automation. For BEC, this was particularly applicable to:

- **waste management** – encourage people to produce less
- **transport** – create more choice about how people move – Worcester's 'Choose how you move' had been very successful
- **highway repair** – the current focus on surface dressing provided effective waterproofing and significantly reduced reactive work and therefore costs
- **congestion** – change took time but it was important to pursue

- **economic development** – ensuring businesses set up and continued
- **climate** – better management of issues could reduce impact of adverse conditions like flooding

#### Discussion points

The new Directorate structure was welcomed. The Director and Cabinet Members found the overlap across cabinet portfolio remits beneficial, as from experience this generated constructive working and a further shift away from 'silos'.

A plea was made that books remain the focus of library provision, rather than computers. It was pointed out that computers played a growing role in education, and that books were very much the visible offering at The Hive.

There was concern about the budget for Regulatory Services and Trading Standards, which it was understood employed a team of 11 professional staff. Why was this area listed as a financial risk when Council had been assured it was on budget? The Director was content with the agreed budget of £450,000, although it was important that the service was able to 'bed down', after it was brought back in house and there may be costs associated with the transition.

The children's transport project did not necessarily contradict policies to reduce car use, given the number of car journeys in question, and many parents were already making car journeys anyway.

Congestion was not a problem during school holidays and a lot of time was spent talking with schools, however, car congestion was still a problem even around those schools with good bus networks.

Everyone welcomed the anticipated success of Worcestershire Parkway station and potential for economic growth in Worcestershire. It was important to be ready for it including infrastructure such as bus routes and parking. A successful station would also create commercial bus route opportunities and the design had been tuned to facilitate future changes, such as increased parking in the future if needed.

Traffic congestion was a high profile issue for members which was worsening and it was suggested that a more innovative approach was needed, including looking to traffic flow and open space solutions and prioritisation

used in other areas both at home and abroad. The Directorate certainly wanted to be at the leading edge, although Worcester's problems were not unusual and new technology presented opportunities. Prioritisation (for example to pedestrians or cyclists) was a policy issue, and solutions facilitated by the choices available in a metropolis such as London would not necessarily translate to Worcester.

It made sense to remove council subsidies from bus routes where they were commercially attractive routes, and development of commercial demand should be encouraged.

The Director also spoke about the benefits of travel training for people with learning disabilities.

A suggestion of using traffic light flow to change people's travel routes would be fed back to the Directorate.

The Panel Chairman suggested that politicians also had a role in solving congestion.

The aim to 'Reinvigorate Town and City' also extended to rural areas.

On the theme of demand management, whilst factors behind the demand for services may not be controllable, the way in which services were delivered could reduce need.

Identifying cuts towards the required savings of £23,120,000 required an intelligent approach, including contract negotiation, service remodelling and review of staff roles; 'bottom up' budgeting was favoured. As commissioning of services increased there were fewer opportunities for savings, and only approximately 8% of BEC's budget remained controllable. Cabinet members' priority was to protect frontline services.

Members supported the overall direction, but requested more detail about spend to support the information around the FutureFit programme and at risk savings, as the projects in question were significant. The Agenda information did not include commentary which had been provided in previous years, although it was pointed out that the report contained web-links to corporate strategy information, which this year were only available electronically.

The Director and Cabinet Members had sought to talk

through any headline issues. They confirmed that savings labelled 'green' in the chart displayed had been achieved, those labelled amber were as well achieved as they could be and other areas would need to be explored. Savings would move from red to green over time and two years ago those now achieved in 2016/17 would have been red.

The Director would give thought to what further budget information could be circulated, although the areas for savings were well identified during the corporate strategy process and the budget setting process itself was open – what was new was how savings would be apportioned across budget years or tweaked to ensure success.

#### Equality and Diversity

The Chairman invited comment from the Council's Equalities and Diversity Manager, who felt overall there were as many opportunities as implications from the plans presented. Times were hard and challenging but the Directorate managed its projects to be as inclusive as possible.

Libraries staff did their utmost to make sure that disadvantaged groups were not adversely or disproportionately affected.

The Children's Transport project was very positive in offering choice to parents, especially the independent travel training, which encouraged those with learning disabilities to be more active members of the community.

The idea of shared space as a solution to congestion problems was interesting, although a recent report from London pointed out that increased cycle lanes made it difficult for people to get to buses; needs must be balanced.

Economic development was an area to be explored, especially to ensure all groups were able to access the benefits, including young people.

In summing up, the Chairman took on board the requests for more budget detail in order to finalise the Panel's comments to contribute to the Budget Challenge Scrutiny Task Group. He would discuss with the scrutiny officers the best approach, which may be to circulate information separately or to invite the Director back to a future meeting.

**230 Flood Risk Management Annual Report**

In attendance for this item were the Head of Strategic Infrastructure and Economy, the Strategic Planning and Environmental Policy Manager, the Flood Risk and Gypsy Service Manager, and the Cabinet Member responsible for Environment.

The Chairman asked for comments on the draft Flood Risk Management in Worcestershire Annual Report 2015, discussion of which formed part of scrutiny's role in reviewing Worcestershire's plans, as a lead local flood authority.

Discussion points

Cllr Amos declared an interest as Chairman of Worcester City Council's Planning Committee – and voiced concerns about the number of housing developments being built near flood plains, particularly on marginal land.

It was explained that plans for 10 houses or more needed to be accompanied by a statutory flooding assessment and detailed plans to manage flood risk. Some recent applications included land at risk in the development site, but not where homes would actually be built. Officers worked with all local authorities within Worcestershire to address any issues.

The County Council was now a designated statutory consultee on major planning applications with surface water implications in order to secure the appropriate inclusion of sustainable drainage systems for development sites. The district councils listened and collaborated with the County Council's officers, and to their knowledge, none of their recommendations had been ignored

It was accepted that it was a question of assessing the risk, frequency and how to adapt what was built.

Regarding the county-wide Surface Water Management Plan, a flood spot was defined as an area of water not normally there, which has some impact on property, business, infrastructure etc. Appropriate prioritisation would be given to investigation of locations identified as being at risk of flooding.

Cllr Tuthill asked about resolution of problems for unadopted roads; within Malvern problems with swales remained unsolved. It was explained that since April 2015 developers were required to set out plans for



sustainable drainage systems, how any problems would be managed and by whom. However it was an on-going problem to deal with Worcestershire's legacy of situations where systems were not in place and there was no current mechanism to require developers to do so retrospectively. The Panel noted this issue needed to be referred to the Secretary of State for Environment, Food and Rural Affairs. It was confirmed that concerns were being voiced nationally, including with Severn Trent. There was potential for a move to introduce retrospective requirements.

Panel members discussed the option of the parish lengthsman scheme offering a practical way to keep an eye on local drainage problems – however the relevant management company should fulfil this role as part of its contract.

Figures for numbers of applications for land drainage consent masked the amount of time spent with potential applicants to make sure plans were fit for purpose, which was in everyone's interests. Inclusion of sluices was a common element of this.

Views were sought on any impact on flood management of restructuring of the Environment Agency (EA) due to public sector funding cuts. The Directorate of Business, Environment and Economy sought to protect frontline services, which the Flood Risk Manager agreed had been pretty well achieved. Officers and Cabinet Member were aware that contact with the EA for planning issues was having to be more actively pursued.

An increasing amount of resources were being spent on natural solutions for surface water management, for example to commission expertise from the Countryside Service to work with landowners.

What residents put down household drains was the biggest cause of property flooding, with fat being crucial.

The West Mercia Local Resilience Forum included all key agencies, such as all local authorities, the Fire Authority and the Environment Agency. The Officers fully supported the benefit of collaborative working, both locally and nationally, although the numbers of those involved brought complexity.

Praise was given to the Council's web pages, and a request for direct links to district council drainage links would be fed back.

Consultation on the 2015 Flood Risk Management report would begin in December via the website.

The Panel agreed that flooding planning was impressive.

The Chairman drew attention to a note he had circulated about climate change projections, containing extracts from the 2013 assessment report of the Intergovernmental Panel on Climate Change – which concluded that there was no relationship between climate change and flooding. A panel member pointed to the effect of the earth's tilt and urged a more realistic approach to what was achievable. The Cabinet Member pointed out that the Council had moved from a position of mitigation to adaptation – the effects of climate change were there and had to be dealt with, and more joined up working made the Council better placed to do this.

The Chairman thanked everyone for their contribution to the meeting.

The meeting ended at 12.55 pm

Chairman .....