

Economy and Environment Overview and Scrutiny Panel

Monday, 1 February 2021, Online - 2.00 pm

Present:

Minutes

Mr A A J Adams (Chairman), Mr P Denham (Vice Chairman), Mr G R Brookes, Mr B Clayton, Mr M E Jenkins, Mr A D Kent, Mr R J Morris, Mr J A D O'Donnell and Mrs R Vale

Also attended:

Mr A T Amos, Cabinet Member with responsibility for Highways
Dr K A Pollock, Cabinet Member with responsibility for Economy and Infrastructure

John Hobbs (Strategic Director for Economy and Infrastructure), Rachel Hill (Assistant Director for Economy, Major Projects and Waste.), Paul Smith (Assistant Director for Highways & Transport Operations), Michael Hudson (Chief Financial Officer), Steph Simcox (Head of Finance), Dave Corbett (Management Information Analyst), Ian Bamforth (Senior Programme Manager, Economy and Infrastructure Directorate), Adrian Tuck (Development Control Team Leader, Network Control), Samantha Morris (Scrutiny Co-ordinator) and Jo Weston (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 9 November 2020 (previously circulated).

(A copy of document A will be attached to the signed Minutes).

400 Apologies and Welcome

The Chairman welcomed everyone and confirmed the arrangements for the remote meeting.

401 Declarations of Interest and of any Party Whip

None.

402 Public Participation

The Chairman reported that five members of the public had asked to speak. A summary of the key points from the participants was as follows:

Ronald Lee

- Mr Lee referred to the draft Budget, in particular the fact that the Council had successfully applied for £519,000 from Government for promotion of active travel
- Given the health benefits of active travel, Mr Lee was concerned that planning for the active travel programme was programmed as a subject for possible future scrutiny
- The Chairman reported that the Panel did refresh their Work Programme regularly and that given County Council elections were in May, future items were a matter for the incoming Panel, although active travel would likely feature.

Ros Cooke

- Ms Cooke referred to the Panel's Work Programme, in particular, the reference that an update on drainage system technology was only a subject for possible scrutiny
- How would the Council keep up to date and act upon new flooding solutions and property flooding resilience?
- The Chairman highlighted that the Council was the lead Authority for Flooding and the Panel did have an Annual Report on Flooding, therefore was sure the matter would be looked into.

Andy Lyon

- Mr Lyon referred to the Performance Information, specifically that 49% of the total CO2 emissions in Worcestershire were for transport
- A request was made for the Council to provide a plan of transport infrastructure changes required to address the Government's target of a 68% reduction in greenhouse gas emissions by 2030
- Further investment in walking, cycling and public transport was required to mitigate the climate emergency
- The Panel Chairman reported that these matters would continue to feature on the Panel's Work Programme, however, a lot of elements were out of the Council's control.

David Whiting

- Mr Whiting welcomed the £0.5m revenue contribution to the Environment Agency flood mitigation scheme in Bewdley, however, suggested that the building of barriers was not a long-term solution

- Referring to the Directorate’s three areas of challenge (page 21 of the Agenda Report), Mr Whiting suggested adding Land Management to the list. It would highlight the increased level of risk from increased rainfall, soil erosion due to unsustainable farming techniques and inadequate sustainable urban drainage systems on housing developments
- Furthermore, recognition was sought for the likelihood of increased wind, longer periods of draught, higher temperatures and the impact on crops
- The Council should face up to the real challenge that is caused by climate and ecological changes as now was the time to act.
- The Chairman highlighted that flooding was now seen in a holistic way across all relevant authorities and would continue to be on the Panel Work Programme.

Janice Bell

- Ms Bell was surprised that there was no mention of Climate Change on the Agenda and asked whether climate and ecological emergency should be a standing Item for the Panel, especially given its importance
- As all County Council activities were impacted upon by climate change, there should be reference to it always
- There appeared to be a lack of concern and action for the effects of climate change within the Agenda papers – action was required now
- The Chairman highlighted that past Panel papers would reflect recent discussion by the Panel.

The Chairman thanked all participants for their interest and encouraged them to watch the remainder of the meeting on the livestream.

403 Confirmation of the Minutes of the previous meeting

The Minutes of the Meeting held on 9 November 2020 were agreed as a correct record and would be signed by the Chairman.

404 Performance, In-Year Budget Monitoring and 2021/22 Budget

The Strategic Director, Senior Officers and Cabinet Members with Responsibility had been invited to update the Panel on performance and in-year budget monitoring and to outline the draft Budget 2021/22 for areas within the remit of the Panel.

Draft Budget 2021/22

The Chief Financial Officer (CFO) explained that all of the Overview and Scrutiny Panels had been issued with Papers which reflected the 7 January Cabinet position, however the 4 February Cabinet Agenda had subsequently been published. The changes were minor, however, those relevant to the remit of the Panel included:

- Additional spend for Public Rights of Way (PROW), identified out of Strategic Initiatives, doubling the Capital and Revenue budget
- Increase in the Gigabit voucher scheme usage in rural Broadband rollout, enabling more coverage across the County.

The CFO outlined the overall financial position, reporting that with inflation and predicted demand in services, the Council would need an additional £26.5m for 2021/22. As a result, there was a proposal to increase Council Tax by 2.5%, including a 1.5% general council tax and 1% increase in the Adult Social Care Levy for 2021/22. An additional £9m was expected in grants, including from COVID-19 specific grants. The overall result would be a shortfall of £7.1m across the Council, with £2.2m relevant to the remit of the Panel.

Further savings were anticipated from the Council's ongoing re-organisation and insourcing of Place Partnership, however, £3m would be required from the use of Reserves.

The final Government Financial Settlement was expected on 4 February and additional grant money was anticipated. The loss of income from non-payment of Council Tax would not be known until September, however, it could be up to £3m. The Government had guaranteed Council's 75% of this debt.

It was proposed not to look at additional savings at this stage, rather, bridge the gap from Reserves and wait until September to establish the level of need.

The CFO outlined the engagement process since 7 January Cabinet, reporting that all stakeholder feedback would be considered prior to 18 February Council when the 2021/22 Budget would be agreed.

Unfortunately, due to the COVID-19 Pandemic, the Government's Fair Funding Review had been postponed,

however, it was hoped to report in Summer 2021. Furthermore, additional COVID-19 grants may be received over time.

In the ensuing discussion, the following main points were raised:

- The Panel Chairman was particularly pleased to hear of the additional funding for PROW and the Gigabit voucher scheme, although commented that the administration of the scheme was quite cumbersome and it would be helpful if this could be reviewed
- For clarity, the Council had received some New Homes Bonus, however, it was £1.1m less than predicted due to the lack of houses being built during the pandemic. The future of the Bonus was uncertain; however, it was believed that it was important to have some incentive
- The Panel sought assurance that the additional PROW funding would be fully utilised by using volunteers to assist with projects, especially as the health and wellbeing benefits of being outdoors were known and Worcestershire had such beautiful countryside. In response, the Strategic Director reiterated his position that projects would be triaged to determine how best to deliver them. He agreed that lifestyles had changed during the pandemic and volunteers were a great asset, including corporate social responsibility schemes whereby employees were given the opportunity to volunteer on a working day
- The Panel sought more information on the additional Gigabit funding, which Officers agreed to provide
- The Cabinet Member with Responsibility for Economy and Infrastructure was also pleased with the additional PROW funding and hoped that Officers would make the most of the allocated budget through the use of volunteers.

The Head of Finance outlined the elements of the Draft Budget relevant to the remit of the Panel, which included:

Strategic Initiatives Capital Funding:

- £6m for Highways
- £4m for Footways
- £2.5m for Flood Mitigation
- £2.5m for Streetlighting

- £1.25m for Local Members Fund

Strategic Initiatives Revenue Funding:

- £0.5m contribution to the Environment Agency Scheme for Flood Mitigation in Bewdley
- £25,000 for Highway Safety Marking and Signage

Further areas of the Draft Budget included:

- Waste Management demand and inflation
- Pay/Contract/Income inflation
- Growth, including investment into Transport Strategy and Waste and Minerals Strategy
- Savings relating to capitalisation and income generation

In the ensuing discussion, key points included

- Pay inflation of 2% had been expected in 2020/21, however, 2.75% was awarded, therefore 0.75% was not in the 2020/21 Budget, estimated to be £187,000. Contract inflation, relevant to the Directorate, was £2.1m, equivalent to 3.8%
- For clarity, funding for Cycleways was included in the budget for Footways
- The Panel was pleased to hear of the £0.5m revenue contribution to the flood mitigation scheme in Bewdley
- In response to a query as to whether all Members would receive the triaged list of PROW projects, the Strategic Director confirmed that the list would be shared with Local Members
- In relation to the Directorate's £2.2m savings plan, increased use of capitalisation would be looked at with an indicative target of £2.247m
- The reported £200,000 investment into transport strategy was not to develop the Local Transport Plan (LTP), as LTP4 was still valid
- The Panel Chairman was disappointed that Members were not able to scrutinise the draft budget in advance of the meeting, with some Members hoping for a real time digital solution in future. The CFO was pleased to report that an online collaborative planning system had been introduced, which may be able to be shared with Members, an approach which was welcomed by the Panel
- In relation to drainage, despite negative media

reporting, of the 100,000 gullies in Worcestershire, 60,000 had been successfully emptied between April and November 2020 which was very positive.

The Panel Chairman summarised the discussion as follows:

- The Draft Budget was good, with no huge changes
- The additional Capital funding for Highways and Footways/Cycleways was very welcome
- The Panel was delighted with the additional PROW funding, although it was vital that it was fully utilised by engaging with communities
- Further information was requested on drainage, the additional funding for PROW and Gigabit and actions being taken to address delays in Section 278 technical approvals.

In-Year Budget Monitoring

The Head of Finance reported that as of Period 8 (November 2020/21), the situation had slightly improved, with an end of year underspend of £18,000 predicted, with little change since reporting the end of Quarter 2.

The Chairman invited questions and the following points were made:

- A Member asked when there may be some improvement in Planning and Regulation reporting vacant posts, to be informed by the Director that due to the nature of the work, there would always be the need for a mixed workforce of fixed and temporary/consultant positions. There had been recent successful recruitment of Planners, ensuring the Council now had a full Team
- The Council's contract with the Directorate's Professional Services contractor was coming to an end, although a contract extension was anticipated whilst a new model was developed.

Performance

Members had been provided with Quarter 3 (October to December 2020) Performance Information. The Chairman invited questions, with the following points made:

- A Member was pleased to read the reduction to 9.9% of household waste going to landfill,

**405 Developer
Funded
Highways
Infrastructure**

however, asked whether there was scope to further reduce this further? For clarity, around 45% of waste was being recycling or composted, resulting in the remaining waste being diverted to the Energy from Waste facility. Initiatives to reduce waste at source were vital

- In response to a Members question about how quality assurance was measured as part of performance report, it was confirmed that the performance report provided was quantitative information rather than qualitative. The Chairman advised that qualitative data was an aspiration for the Panel to look at in the future. The Director advised that there were contractual guarantees for latent defects but maintenance issues were more complex. If workmanship was poor, the Council would expect contractors to make good. It was confirmed that weekly meetings took place with the Contractor where such issues would be discussed
- The overall downward trend in the number of Public Enquires (PEMs) was ongoing, with drainage accounting for 20.2% of PEMs in Quarter 3 and 43.2% in relation to roads, footpaths and cycle tracks
- The Panel Chairman highlighted that as of December 2020, there were 6,096 PROW reports outstanding (including 5,386 defects and 710 obstructions)
- In response to a comment made by a Public Participant, the Cabinet Member with Responsibility for Economy and Infrastructure drew attention to the Dashboard reports relevant to climate change, with a Panel Member highlighting that everyone in attendance was helping the situation by not travelling to the meeting. In addition, it was hoped that in future, at least some meetings could continue being held remotely
- The Panel Chairman highlighted that although 97.01% of Worcestershire homes and businesses were connected to Superfast Broadband it was important to target the remaining 3%.

Officers had been invited to provide a short update on developer funded highways infrastructure, in particular delays to technical approvals, in advance of potential further scrutiny after the County Council elections in May 2021.

The Senior Programme Manager talked through the

Report, stating that a review of key areas of the County Council's Section 278/38 Development Control activity had been initiated by the Directorate and had recently commenced, with some progress being made. A working group had been established, with 3 major housing developers involved, and an initial meeting had been arranged.

It was hoped that a protocol for working together could be established, including expectations and requirements from both the developers and the Council. Furthermore, reviews of aspects of work, such as streetlighting and streetscape design were planned.

In the ensuing discussion, the following main points were raised:

- A Member reported that in their experience, issues tended to arise after a project had been completed and not at the time, citing one issue which had been ongoing for over ten years
- Panel Members were sympathetic with the frustrations that residents faced, especially in relation to the adoption of sewers or roads. Officers reported that drainage was also a key issue for the Council
- It was noted that not everything was in the control of the County Council, as Building Control, for example, was a District Council function. In relation to the regulations, there was a difference between what was acceptable in relation to housebuilding compared to building a public asset
- By undertaking the review, Officers hoped that the requirements of the Council could be made clearer to developers, and additional Council resource be allocated for early intervention and therefore more timely approvals of technical submissions in the future. It was hoped that future scrutiny of performance in this area would show improvement
- The Streetscape Design Guide would be updated to reflect current practice and assist Developers in planning
- The Streetlighting Technical Review process was already underway and would be finalised in conjunction with Developers Working Group
- Improvements in technology were being investigated, with a view to making the process more streamlined, especially with tracking of applications.

406 Work Programme

The Panel was supportive of the review and welcomed the aim of establishing a protocol, especially if a set of principles could be agreed. Some Members also looked forward to the additional scrutiny, to ensure that previous poor experience was not repeated and public confidence in the system could be rebuilt.

Further information was requested on:

- the 11 s278 schemes which were approved in 2020-21
- the number of schemes currently in the pipeline.

Members had nothing to add at this time.

The meeting ended at 4.25 pm

Chairman