

## **Minutes of the Economy Overview and Scrutiny Panel**

**County Hall, Worcester**

**Friday, 20 January 2023, 10.00 am**

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### **Present:**

Cllr Karen Hanks (Vice Chairman), Cllr Martin Allen, Cllr Bob Brookes and Cllr Craig Warhurst

### **Also attended:**

John Hobbs, Strategic Director for Economy and Infrastructure  
Steph Simcox, Deputy Chief Finance Officer  
Rachel Hill, Assistant Director for Economy, Major Projects and Waste.  
Gary Woodman, Interim Assistant Director, Economy  
Samantha Morris, Overview and Scrutiny Manager  
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 30 November 2022 (previously circulated).

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

## **23 Apologies and Welcome**

Cllr Karen Hanks welcomed everyone to the meeting, which she would be chairing. Apologies were received from the Panel Chairman Matt Dormer and Panel members Tony Muir, Ian Hardiman and Jack Satterthwaite.

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

None.

## **25 Public Participation**

None.

## **26 Confirmation of the Minutes of the Previous Meeting**

The Minutes of the Meeting held on 30 November 2022 were agreed as a correct record and signed by the Chairman.

## **27 Budget Scrutiny 2023/24**

The Deputy Chief Financial Officer (DCFO), explained that the Council was in the process of reviewing and consulting on the proposed Budget for 2023/24. Comments from the Overview and Scrutiny Panels would be reported to the Overview and Scrutiny Performance Board on 30 January. The draft budget and comments received would be discussed by Cabinet on 2 February and the budget would be agreed at Council on 16 February.

The DCFO summarised the key headlines from the draft Budget 2023/24, which included the overall budget setting process, changes from 2022/23 to 2023/24, pressures for 2023/24 and plans to fund them, and the main points for areas within the remit of the Economy Overview and Scrutiny Panel.

Referring to the information about areas within the Panel's remit, there was not much difference in budgets from the previous budget year, apart from the previously referred to pay inflation and contract inflation. There was a £253,000 revenue increase due to the reduction in income generation abilities within traded areas.

Regarding vacancy management, and the 6.5% Council-wide savings target for the overall salary budget, to formalise the gap which usually occurred between a member of staff leaving and being replaced – there were projected savings of £419,000 for staffing areas within the remit of this Panel. However, this would be managed on a case by case basis and may not be appropriate for all staff functions, for example highways or health and safety.

There had been a transfer of services from Highways and Public Rights of Way to areas within the Economy Panel, equating to £120,000, however this made no difference to the overall Economy and Environment budget.

The proposed overall budget applicable to the Panel's remit for 2023/24 was £15,397m, up from £13,971 for 2022/23.

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

- It was clarified that the total budget for adult and children's social care, included additional funding from the Local Government Settlement of £19.5m for pressures in adults and children's social care (as detailed in the report to 5 January Cabinet (appendix 1). The net budget for People Services (which included adult social care) was £153.6m in 2022/23 and had increased to £160m for 2023/24 and for Worcestershire Children First it was £109m for 2022/23, due to increase to £111m for 2023/24.
- A Panel member asked whether some of the additional funds for adult social care were being directed to address known pressures on health

and social care for example delays in patients being able to leave acute hospitals, and was very pleased to hear that one of the grants was specifically for that purpose – and would be directed to areas such as social workers in hospitals, capacity within the market, reablement, homecare and assistive technology.

- In terms of validating how the Council benchmarked against other areas on its proposed total increase in council tax, the Panel was reassured that the latest data was used, produced annually by the Government and that local authorities of a similar nature and function were used for comparison.
- In relation to the proposed move to introduce a standardising 'vacancy factor' at 6.5% in all staffing budgets, to formalise the fact that in general there is a gap of several months in filling staff vacancies (projected at £419,000 for staffing areas related to the Economy Panel remit), it was explained that this was to budget for what tended to happen and was in no way budgeting for less staff. Vacancy gaps would be risk assessed and would not be appropriate for some areas such as highways, therefore there was a council fund to ensure service delivery continued.
- The question was asked why a council tax increase totalling 4.94% was being proposed, as opposed to 4.96% or 4.97%, and the DCFO advised this was a question for the Cabinet Members.
- It was clarified that the £253,000 revenue increase due to the reduction in income generation abilities within traded areas related to services such as County Enterprises or renting out Council buildings.
- The funds for the Redditch Rail Quarter were warmly welcomed, and the Assistant Director for Economy, Major Projects and Waste confirmed that the £15.038m funding contained an element of protection against likely inflationary cost increases.
- The Panel asked to what degree the predicted reduction in inflation would alleviate pressures on Council budgets and were advised that this would vary according to the dates of contracts and loans.
- Regarding opportunities for trading with other local authorities, the Strategic Director advised that the Council worked closely with other councils and provided some services, however this was mainly around efficiency and economies of scale, and that most staff teams would not have that level of capacity. Tourism and events played a part.
- In relation to Malvern Technology Park, it was learned that the Council was investing in enabling infrastructure along with work being done to adapt the Park after the pandemic – the Panel suggested occupancy could be offered to a broader range of businesses whilst retaining the technology theme.
- A question was asked about how the Council's total expenditure for 2023/24 was split across the district areas. The Officers advised that this was a difficult question to answer mainly because so much of the Council's activity was cross-county, and dependent on needs at a particular time, for example major infrastructure projects.
- A Member queried how it was possible to identify specific active travel schemes from the budget detail provided and it was explained that the detail of smaller individual schemes was not included in the draft budget at as the information provided was at a higher level and such schemes

may be funded from a number of sources. The Local Transport Plan (LTP) would include the detail of specific schemes and work on LTP5 was due to commence later in the year.

- Regarding a specific query about concerning a safe pedestrian crossing along the A38 in Kempsey, the Strategic Director would contact the Councillor outside of the meeting.
- In general terms, Panel members were keen for the Council to encourage new businesses, for example by ensuring available small units on flexible terms and were advised that this aim was fully supported by the Cabinet Member with Responsibility for Economy, Infrastructure and Skills.

The Chairman thanked everyone for their contribution and asked the Scrutiny Officers to draft a summary of the main discussion points related to the 2023/24 Draft Budget, which she would then highlight to the Overview and Scrutiny Performance Board at its meeting on 30 January.

## **28 Work Programme**

The following suggestions were made for the next meeting on 27 March:

- How the Council encourages start-up businesses
- The Council's expenditure per district area

The Scrutiny Officers would follow up these suggestions.

The meeting ended at 11.08 am

Chairman .....