

Minutes of the Prosperous Staffordshire Select Committee Meeting held on 17 September 2020

Present: Ian Parry (Chairman)

Attendance

Tina Clements (Vice-Chairman)	Rev. Preb. M. Metcalf
Keith Flunder	Kyle Robinson
Syed Hussain	David Smith
Ian Lawson	Simon Tagg
Alastair Little	Bernard Williams

Also in attendance: Julia Jessel, Philip White and David Williams

Apologies: Jessica Shulman

PART ONE

93. Declarations of Interest

There were no declarations made at the meeting.

94. Minutes of the Prosperous Staffordshire Select Committee held on 24 July 2020

RESOLVED: That the minutes of the meeting held on 24 July 2020 were confirmed and signed by the Chairman

95. Economic Recovery, Renewal and Transformation - Quarterly Update

The Select Committee had requested regular updates from the Cabinet Member for Economy and Skills on the economic health of the county and progress against the Staffordshire Economic Recovery, Renewal and Transformation Strategy. The unprecedented nature of the Covid-19 crisis had meant that the County Council had had to react quickly to support businesses and residents. The Strategy was flexible enough to respond appropriately to a range of scenarios. The successful delivery of the Strategy in achieving the vision and aims that it set out would be dependant on many factors. A range of interventions had already been made by the County Council, Stoke on Trent and Staffordshire LEP (SSLEP), the Government and other partners to respond to the immediate crisis whilst the development of the supporting delivery plans for the Strategy was ongoing. Existing activities would continue to be refreshed and reviewed against Strategy priorities and new programmes developed where there are gaps.

The Select Committee had identified an important role in scrutinising delivery and performance of the Strategy.

By way of introduction, the Chairman suggested that the August performance figures showed Staffordshire to have one of the highest level of furloughed staff – 25% of working age people compared to neighbouring authorities.

The Cabinet Member believed that the next quarter monitoring report would be defining in terms of the impact of Covid-19 on the Staffordshire economy. He acknowledged that the county had a high level of furloughed staff due to the economic profile of the county and many remained furloughed also the unemployment rate (5.1%) which had crept up, remained lower than the regional and national average. It was too early to identify whether the rise was due to seasonal variations or the start of a trend. It was inevitable that there would be an increase in unemployment as the furlough scheme wound down. The Cabinet Member said that what mattered was the County Councils response – what action was taken to minimise the impact and ensure the county builds back stronger.

The Cabinet Member drew to members attention various interventions which were ongoing or completed as part of the response. The county wide Redundancy Task Group established to support businesses and individuals facing redundancy was now active around the county and had significant capacity. £0.500m emergency grants scheme had been made available and had helped over 200 micro-businesses to survive the crisis by providing a grant to help pay outstanding supplier bills in the short term. Funds had been identified to support new business start ups in priority sectors – currently there were 300 participants on the scheme and 200 new businesses established in a year. The Cabinet Member believed that times of economic hardship – post recession - often prove to be a good time to set up a new business.

In addition to local interventions, an enhanced communications campaign ‘Staffordshire Means Back to Business’ and further measures had been put in place by partner organisations and Government. The SSLEP were allocated £23.7m from the Government’s £900m Getting Building Fund for projects across Staffordshire and Stoke on Trent for projects expected directly to create 2,440 jobs. The funding is expected to unlock commercial and learning floor space. I54 Western Extension and the Shire Hall regeneration were benefiting from this funding.

The Cabinet Member was confident that the County Council was well placed and prepared to mitigate negative impact to the local economy in the short term at least.

A Member suggested that well documented shortfalls in the Government’s Covid-19 testing arrangements (Track and Trace scheme) was impeding some of the schemes aimed at restoring the local economy and getting people back to work. He asked whether lobbying Government was having an effect and whether there were any plans to extend locally the furlough scheme into 2021 as some local authorities had elected to do. He said it would be important to monitor local unemployment levels.

The Cabinet Member acknowledged that the furlough scheme had saved many jobs but that it had always been necessary and the intention to wind down the scheme at some point and businesses needed to become self-funding again. Some would be able to attract additional resource in the short term if they needed a little longer to transition. He had spoken to the Treasury on how best to support the local economy and understood that it was reasonable to support those schemes which were tailored to the Staffordshire economy. The LEP would be best placed to analyse the impact of the end of the furlough scheme.

Regarding testing, he accepted that testing capacity was very important and must be prioritised for key workers. This was a cross cutting issue and a matter for national Government.

The Member shared his concern about the local economy in Burton upon Trent; specifically access to support when the furlough scheme ends and encouraging face coverings in shops in his locality. On behalf of these retailers he appreciated the PPE support which the Council had delivered. The Cabinet Member acknowledged that Burton on Trent had been particularly challenged by persistent outbreaks of Covid-19 and he paid tribute to the reliance of that community in taking steps necessary to control it. He referred the member to various funding streams both local and national and hoped all businesses were aware and able to access. The Cabinet Member agreed to liaise with the member over specific issues.

A Member thought that the many grants and funding opportunities were confusing and it was important that communications were clear. He felt that schools needed guidance around who can attend. He described the impact on local economies when parents take time off to supervise children required to be away from school. He believed it was incumbent upon all sectors of local government to work collaboratively with community groups to improve the delivery of services for local people and try and restore the local economy.

The Cabinet Member supported the points made and reminded members that although the furlough scheme was coming to an end the important point was the totality of support that was available. Cabinet had spoken with Government regarding the specifics of the Staffordshire economy and what targeted supported was necessary. He agreed the value in local government relationships and alluded to the success of various 'town deals'. The Cabinet Member agreed to speak outside of the meeting to try and resolve specific issues around local community involvement.

A Member acknowledged that there had been a renaissance of village shops and he suggested there should be a new focus in conjunction with District and Borough Councils and local members on revitalising the high street. Flexibility was key to adapting to the changing crisis. The Cabinet Member agreed that a united approach with all parties engaged to plan to revitalise the county.

The Chairman said that some sectors were clearly more vulnerable than others and he believed there to have been some recovery in the hospitality sector following the Government Eat out to Help out scheme. Other sectors, eg aerospace – both direct and supply – had been harder hit and there was likely to be a patchwork of need. He confirmed the need for ongoing vigilance, horizon scanning and a response which is flexible and agile. The Cabinet Member agreed with the Chairman's points and suggested the impact on sectors would vary and that his approach would be flexible to respond to those hardest hit.

RESOLVED: That the Select Committee notes

- (a) the quarterly update provided on progress made against the Staffordshire Economic Recovery, Renewal & Transformation Strategy and the interventions already made by the County Council and partner organisations,
- (b) recommends the Cabinet Member to continue to explore further interventions to enable the successful delivery of the Strategy, and,
- (c) request relevant Cabinet Members bring updates on delivery of the strategy to this Select Committee for scrutiny every 3 months.

96. Infrastructure+ and Lighting for Staffordshire Performance Review

The Cabinet Member for Highways and Transport provided operational performance information on two long-term highway service delivery contracts: Infrastructure+ and Streetlighting Private Finance Initiative (PFI); and invited direction on future or additional performance measures necessary to demonstrate these contracts are achieving their required aims.

By way of background, members were reminded that Infrastructure+ is an overarching agreement between the County Council and Amey LG providing an outcome focused approach to the delivery of highway and non-property infrastructure services across Staffordshire. A core element of the Infrastructure+ partnership is a Term Service Contract (TSC) for the maintenance, management and improvement of over 6,300kms of highway network.

Infrastructure+ operational performance is managed through a balanced scorecard process. At the last meeting of the Strategic Partnership Board in July 2020, operational performance was scored as +23 on a range of +/-58 and accepted as satisfactory taking into consideration the funding constraints particularly around highway maintenance.

As part of the 2020-21 Infrastructure+ Business Plan the Strategic Partnership Board agreed some improvement plan priorities which were accompanied by an Extra Investment Strategy. The local road network is the council's single largest physical asset with a gross replacement value of over £7billion. The Government's own endorsed Asset Management approach to highway maintenance recognised that a highway network the size of Staffordshire's required a one-off investment of around £75m to bring it up to target condition followed by £42m/year ongoing to achieve 'steady-state' condition in carriageway condition alone.

The £26m available revenue budget (approximately 5% of the Councils total annual revenue budget) services commitments including the streetlighting PFI, school crossing

patrols and a range of statutory functions. Approximately £10m (2% of the Council's annual revenue budget) remains for highway maintenance operations. The extra £20m investment strategy approved by Cabinet in 2017 provided an additional £5m/year over 4-years to reduce the backlog and associated reputational and financial liability of long standing pothole defects. Levels of public satisfaction measured through the NHT survey have started to see improvement in some aspects of highway maintenance associated with this extra investment.

In May 2003 Lighting for Staffordshire Ltd commenced delivery of the street lighting Private Finance Initiative (PFI) contract which would operate for a period of 25 years. The value of the contract at its commencement was £250m and the Council has received revenue support grant of £1.54m per annum to support delivery of the contract. The primary reason for the PFI had been to redress a continued lack of investment in street lighting assets. The Staffordshire contract constituted a continuous programme of asset renewal throughout the contract period.

Since the contract commenced back in 2003 the number of street lighting assets on the highway network has risen from 99,343 to 108,626 (June 2020), a growth of 9.3%. Following the credit crunch high value contracts such as the Street Lighting PFI contract were re-assessed for their value and to ascertain if costs could be reduced. Officers entered into negotiations with the PFI contractor with a view to achieving increased value against the requirements of the contract. A Contract Modernisation exercise was completed in December 2012, with additional savings being recovered by the council over the residual life of the contract.

In terms of contract modernisation, converting the energy savings per annum to a fiscal value generated savings of £2.3m over the period April 2013 to June 2020. The total savings to the end of June 2020 because of contract modernisation is £4.5m.

As part of Contract Modernisation the core specification was amended so the authority could benefit from the rapidly advancing LED street lighting market. To implement LED invest to save initiative required formal agreement with the PFI Contractor (Lighting for Staffordshire Ltd). Unfortunately, this process had taken longer than originally anticipated due to the need to embed the arrangement within the PFI contract. The current status of the contractual change requirements was approaching completion and works were planned to commence Nov / Dec 2020 against a 4-year delivery programme.

The Cabinet Member maintained that the PFI contract demonstrated a high level of public satisfaction.

The Chairman drew members attention to the Strategic Partnership Boards identified improvement-plan priorities. He was surprised to see many initiatives which he would have thought were already being done, indeed, thoroughly embedded and refined (for example, 'to develop and implement a Communication strategy, roadmap and delivery plan).

The Assistant Director for Highways and the Built County explained that as part of the annual business planning process the Infrastructure+ Strategic Partnership Board

approved an annual plan of continuous improvement priorities that could be resourced – some aspects are new and others are updates.

Another part of the annual business plan is the forward delivery programmes. Whilst a Highway Infrastructure Asset Management Plan exists the level of future funding is not known at this time making works programming and projected road condition difficult. It also undermines market confidence to invest in Research and Development to support innovative new materials and techniques.

A Member raised the matter of the closure of call centre lines and what had been the impact of this. In Tamworth, training on smart phones had enabled residents to report live issues. The Cabinet Member did not have statistics but was aware people were concerned and wanted a conduit to report. Officers were looking for a cost-effective solution and hoped to be in a position to report to the next meeting.

A Member asked what the Cabinet Member had planned to improve cycle and walking routes as part of the green agenda. The Cabinet Member explained that details are set out in the Council's Local Walking and Cycling Infrastructure Plan (LCWIP). He also explained that he had only recently put a paper to Cabinet requesting an additional £2m in-year funding for Community highway maintenance priorities and upkeep of the Public Rights of Way Network. In conjunction with Amey, District and Borough Councils will be asked to support opportunities to work in partnership to improve the condition of cycle and pedestrian routes. Furthermore, an additional £0.1m had been allocated to improve public rights of way.

This was welcomed by members as a necessary boost to highways funding and hoped to see the backlog of outstanding work reduced. The Assistant Director for Highways and the Built County maintained that the new permit scheme introduced from April 2020 worked in the County Councils favour. Under the previous regime, the utility sector had a given right to access to the highway network but under the permit scheme they had to apply for access and so the service could be more planned. Furthermore, they had to pay for the permit which contributed towards the cost of supervisory work, including duration and quality of the reinstatement.

A Member asked about the distinction between urban and rural grass cutting contracts. The Assistant Director explained that there were two separate specifications: in rural areas to support ecology, only 1m swathe cut is made once or twice each year, with further enhancements at visibility splays as required. In urban areas (speed limit of 40-mph or lowers) where there is more amenity value there were 6 cuts (previously 8). He acknowledged that some Borough, District and Parish Councils that delivery highway grass cutting for the County Council also undertake some additional amenity work. Rural cutting accounted for about one quarter of the spend compared to urban cutting. Some members had encountered specific issues with the grass cutting contractor in their locality which they would take up outside of the meeting.

A Member asked about satisfaction rates and contact numbers for roadworks. The Assistant Director stated that all incidents of roadworks should include an information sign providing contact details of the works promoter. In the case of highway maintenance work this will be the County Councils own 24-hour contact number.

The Chairman suggested there was some disparity between performance which appeared to be improving across key criteria whilst satisfaction rates did not necessarily

reflect that. The Assistant Director explained that the customer satisfaction data was obtained from a national annual public satisfaction survey conducted by Mori and as such there is a lag effect. He hoped to see continued improvement and satisfaction rates would follow through. The service did consider customer satisfaction in prioritising service direction.

Regarding the Street lighting PFI item and the LED invest to save project, an interest free loan of £8.8m towards the replacement of traditional lanterns with LEDs will generate £1.6m financial savings and 2,600 tonnes of CO2 emissions each year. The Chairman asked about the cost of borrowing and for assurance that due diligence had ensured the spend represented good value for money. The Cabinet Member assured the select committee. Members asked to be advised when LEDs would be installed in their area.

RESOLVED: That the report on operational performance information on two long-term highway service delivery contracts: Infrastructure+ and Streetlighting Private Finance Initiative (PFI) be noted and that the Assistant Director for Highways and the Built County share location specific information regarding the roll out of LED street lighting.

97. Flood Management

The Cabinet Member for Environment Infrastructure and Climate Change introduced the county Flood Risk Manager who delivered a presentation to the select committee on the council's statutory functions and responsibilities.

The Cabinet Member explained that due to climate change rainfall events that overwhelm drainage systems is becoming more frequent and that this is no longer just a winter issue. She acknowledged that a significant challenge is run-off from private land leading to localised flooding of highways and when highway gullies are also damaged or full of silt this can exacerbate the problem.

The Flood Managers presentation addressed the efficacy of existing highway gully maintenance policy and persistent blockages; the Councils response to emergency flooding; the Councils role and responsibility under the Flood and Water Management Act 2010; poor land drainage management; the Council's infrastructure management and forward strategy in a period of housing growth and collaboration on flood management.

The County Council is a Lead Local Flood Authority. A duty is to produce a Strategy setting out their direction. We have various duties and powers. The authority works closely with key partners – the Environment Agency and District and Borough Councils, drainage boards, water companies and the County Councils own Highways services. He explained roadside ditch responsibilities and that the local landowner (sometimes different to the person farming the land) had responsibility for hedges and ditches. He explained that gullies will often connect into sewers or ditches and that the problem may be a blockage further in a drainage system (rather than the gully).

The Chairman acknowledged that grip cuts were sometimes used by farmers to alleviate run off from fields but this was not their purpose and poor land maintenance was a significant contributor to flooding. The Flood Manager suggested that heavy traffic

loading was also a contributory factor – increasingly large vehicles regularly passing through country lane, impact on the verges. He agreed with the Chairman in general and suggested there were many contributing factors and to acknowledge that there are many considerations when farming land.

The authority did have enforcement powers but the Flood Manager said that they would only take action where there was a clear risk of house flooding as the legalities were onerous.

The Assistant Director explained that the highways service had moved away from a blanket approach of emptying all gullies annually to collating an inventory of gullies which could then be managed on a risk based approach. GPS data was used to create a better understanding of for example, silt build up, and enable the operational resource to be better managed. This approach provides an optimum routine maintenance solution for approximately 95% of the councils highway gullies, but that around 5% of gullies had historic and continuing problems and there was a backlog of gully and wider highway drainage repairs (representing about £20m) which was being addressed by a progressive repairs and renewal programme.

Members agreed that flooding issues were often the cause of concern at parish councils and a diagram of accountability and responsibility would be helpful to them. A Member asked about access rights to private land. The Flood Manager said that it was difficult to justify access onto farmland unless flooding was very bad. In the first instance, they would write to a landowner.

The Flood Management team worked proactively with landowners and encouraged a preventative approach – there may be questionable land practices which they can work with. In the future there may be grants to help farmers deal with specific flooding issues as part of Central Government's new Flood Risk Management Strategy. Post Brexit there was likely to be greater emphasis on more environmentally sustainable farming practices. Collaboration and coercion were considered better than a legal route. An increasing amount of land was now subject to short term farming tenancies and in these sometimes drainage was overlooked.

The Cabinet Member maintained that the service wanted closer cooperation with community groups and parish councils and there were good examples of this already happening (e.g. the Marchington road closure Model).

A Member suggested that sometimes a problem was not with the gully but further away from the highway – a collapsed drain for example – often difficult to diagnose. The Flood Manager said that responsibility would lie with the landowner whose field the collapsed drain was under.

A member pointed out that gully emptying was an issue in urban areas also and he asked about supporting local residents. The Flood manager said that his role was investigating under section 19 (of the Flood Water Management Act) with the threshold set in our local strategy at where 5 or more properties which had been affected by internal flooding. In the past year there had been vastly more instances relative to previous years.

The Cabinet Member assured members that they would see an improvement in flood management – working closely and creatively with partners and the Highways authority and benefitting from additional allocated funding.

RESOLVED: That the Flood Management update be received.

98. Work Programme

The Committee agreed to defer the 'Delivery of Housing' and the 'Return to schools' reports to future meetings to priorities other reports at the meeting to be held on 12 November.

Members were informed that information on the Entrust contract had also been requested by the Corporate Review Select Committee, It was agreed that Corporate Review should consider this item.

RESOLVED: That the Select Committee note changes to their work programme for 2020-21 and should plan to meet in county buildings for their next meeting.

Chairman