

# ECONOMIC DEVELOPMENT & MANAGED GROWTH SCRUTINY BOARD - 12 January 2022

## MINUTES

- Present: Councillors: D Howell (Chairman), , D Pinwell (Vice-Chairman), T Hodgson, M McLoughlin, W Qais, J Ryan, K Thomas, P Thomas, and D Gibbin (Substitute)
- Councillors in Attendance: Councillor I Courts: Leader of the Council and Cabinet Portfolio Holder for the Economy  
Councillor A Mackiewicz: Cabinet Portfolio Holder for Climate Change, Planning and Housing (virtual)
- Officers: Perry Wardle: Assistant Director, Growth and Development  
Lauren Beach: Economy and Infrastructure Finance Manager  
Paul Rogers: Democratic Services

### 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor J O'Nyons, for whom Councillor D Gibbin was substituting.

### 2. DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST

No declarations of pecuniary or conflicts of interest were received.

### 3. QUESTIONS AND DEPUTATIONS

No questions or deputations were received.

### 4. MINUTES

A correction to the attendance record for the Economic Development and Managed Growth Scrutiny Board was required as follows:

The attendance detailed as *Rachel Riley: Director of City Ready, Birmingham University* should read as *Rebecca Riley: Director City-REDI, Birmingham University*.

Councillor McLoughlin clarified that the ONS statistics detailed on page 9 of the draft Minutes were provisional figures only and not for publication.

The Economic Development and Managed Growth Scrutiny Board:

#### RESOLVED:

- (i) Subject to the above clarifications and amendments, to agree the Economic Development and Managed Growth Scrutiny Board Minutes dated 8th November 2021 as a true record.

### 5. MTF5 UPDATE – BUDGET STRATEGY 2022/23 – 2024/25

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The report was submitted to the Scrutiny Board to seek comments on the budget proposals identified for 2022/23 to 2024/25 within the Climate Change, Planning and Housing Cabinet Portfolio.

The Managed Growth Finance Manager introduced the report. Members were advised that there were a number of budget pressures in the form of rising inflationary cost pressures and continued local authority funding arrangements. The report provided detail for some cost pressures specific to the Councils Directorates as well as additional budget being allocated to services to mitigate some cost pressures. Members were advised that the Council had been addressing a funding gap for 2024/25 of £9.054M. The Government Spending Review allocated additional funding of £1.6B to local government, of which £4.5M additional funding was allocated to Solihull Council. Following various other changes the Council's budget shortfall is now £7.995M.

It was reported that the Council was continuing to address the Covid-19 pandemic, which brought cost pressures in its own right and therefore no Directorate was required to put forward cost-savings as part of the budget strategy for 2022/23 to 2024/25.

With regard to Appendix B of the report – Climate Change, Planning and Housing Portfolio, Proposed Fees and Charges - Members were advised that some of the fees were set centrally, for which the Council had no input or influence. In general terms, the Council had raised its fees and charges by 3.7%.

Appendix C to the report detailed the Indicative budget for the Climate Change, Planning and Housing Portfolio.

Having received the report introduction from the Economy and Infrastructure Finance Manager, Members of the Scrutiny Board raised a number of related questions, which in summary included the following matters:

Councillor Gibbin questioned whether the budget proposals for 2022/23 to 2024/25 took account of the increase in inflationary pressures, specifically in relation to the public sector pay settlement. The Economy and Infrastructure Finance Manager confirmed that the budget proposals had included allowance for expected pay awards in the public sector. Further detail would be provided to Members outside of the Scrutiny Board to follow.

Councillor Qais questioned whether the anticipated business rates windfall income was planned to be used for reducing mitigation towards the housing and climate change budgets respectively. The Scrutiny Board was advised that in previous years the Council had allocated Business Rates windfall towards the climate change and housing budgets, but in the current financial position any Business Rates windfall received by the Council would be allocated to support the general corporate financial position.

Councillor K Thomas queried whether the proposed Planning Services fees and charges schedule met the costs of the actual planning services being delivered and

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met the costs for the proposed additional planning staff. Members were informed that the Council did not set fees or charges associated with planning applications, but were set centrally. However, the Council did ensure that its costs were covered for supplying planning advice via Council staff. In respect of those planning charges established centrally, Members were informed that they did not cover the Council's costs in all cases. The Economy and Infrastructure Finance Manager was not aware of any form of lobbying of Government by local authorities to address this arrangement.

Councillor K Thomas raised the matter of the £1.92M deficit in respect of the Strategic Environment Contract (SEC). Councillor K Thomas reminded the meeting that the SEC had been subject to review by the Call-In Committee on the grounds of affordability.

Councillor McLoughlin raised the inflationary assumptions used for the basis of the MTFS budget setting process and potential fiscal pressures experienced by Council employees in light of the inflationary figure in December 2021 standing at 4.6%. Councillor McLoughlin stated that this equated to a pay cut in real terms and should be considered in the context of the last decade of financial pressures experienced in the public sector generally. The fiscal position was further compounded for the public sector by the Covid-19 pandemic and continuing access to funding streams for local authorities. Councillor McLoughlin concluded that he was concerned that fees and charges had been set when the inflationary figure was standing at 4.6%.

The Economy and Infrastructure Finance Manager advised the Scrutiny Board that different inflationary costs were set across different budgets. The 3.7% inflationary cost used for budgetary purposes was believed to be set at a reasonable level.

Members were advised that some of the fees and charges may have been set slightly lower than the Consumer Price Index as the increase in salary pressures was lower than for the private sector. Further, energy prices had been secured by the Council via a future purchasing contract.

Councillor McLoughlin referenced the use of agency staff within the Development Management Team and questioned whether their use was due to fluctuations in the volume of planning applications received and further managed through existing staff vacancies, or whether there were issues within the HR appointment process for permanent staff.

The Assistant Director, Growth and Development advised the Scrutiny Board that the planning service was not deliberately holding any vacancies. The planning service had reviewed comparative data Quarter1 in 2020/21 and 2019/20 and found that there had been increases in receipt of planning applications of 40% in 2020/21 and 20% in 2019/20 respectively, which equated to a significant increase in demand. Use of agency staff within planning services had been in response to meet that demand. Members were further advised that a future increase in volume of received planning applications was expected once the Local Plan came into effect.

Councillor McLoughlin referenced funding arrangements and risk profile of the UK Central Programme, particularly to paragraph 3.23 of the report which stated '*The West Midlands Combined Authority has indicated that the funding required to fully deliver all of the projects within the UK Central Programme is unlikely to be available*

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*as originally envisaged*', and sought further clarification as to the potential exposure of the Council to any related fiscal risk.

The Assistant Director, Growth and Development confirmed that the Council's financial commitment to the UK Central project was predicated on secured funding for the UK Central Programme. In respect of the wider investment programme for the WMCA, other funding streams had been successfully secured. Furthermore, account had not been taken of the WM Transport Funding for 2022/23, which was a substantial element of the UK Central Programme. Other funding streams will also be applied for in the future in support of the UK Central Programme and other funds drawn down, for example £1.8M of the estate regeneration programme for Kingshurst. The intention remained to deliver and implement the full UK Central Programme.

In response to a question from Councillor Qais, it was confirmed that the role of the Technical Development Officer position would be a full time position and would target enforcement activity.

Councillor McLoughlin requested that it be noted for the record his concern regarding the current fiscal pressures placed on the Council and how any future budgetary savings could be delivered within the current economic climate.

Having considered the MTFS Update – Budget Strategy 2022/23 – 2024/25 report, the Economic Development and Managed Growth Scrutiny Board:

### **RESOLVED:**

- (i) To note the pressures and mitigating actions as detailed in Appendix A to the 'MTF Update – Budget Strategy 2022/23 – 2024/25' report;
- (ii) To note the budget proposals outlined in the 'MTF Update – Budget Strategy 2022/23 – 2024/25' report; and,
- (iii) To note the schedule of fees and charges proposed for 2022/23 as detailed in Appendix B to the report.

## **6. ECONOMIC DEVELOPMENT AND MANAGED GROWTH SCRUTINY BOARD WORK PROGRAMME 2021/22**

Having considered and discussed the report, the Economic Development and Managed Growth Scrutiny Board:

### **RESOLVED:**

- (i) To receive reports considering Delivering Inclusive Growth In Solihull and the Draft SCH Delivery Plan 2022/23 at the Scrutiny Board meeting scheduled for 8 March 2022; and,
- (ii) To receive the annual diffusion tube monitoring data by e-mail prior to 8 March 2022 in order to consider whether to receive an air quality strategy report at the formal Scrutiny Board meeting scheduled for 8 March 2022.

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The Economic Development and Managed Growth Scrutiny Board  
meeting closed at 6:38 p.m.