

Statement to the 23.11.16 Resources PDS Panel meeting of B&NES Council

Thank you Chair.

I do not live East of Bath, nor am I a member of a political party, but I am a resident who cares passionately about the economic, environmental and social wellbeing of this locality. I am also an economist with policymaking and implementation experience in infrastructure investment and sustainable development.

As such, I have five major areas of concern about the way the P&R East decision is being made. In brief¹, these are

1. Its presentation as a solution to a predominantly transport² problem, meaning that the broader policy implications and wider importance of the decision have been underestimated. (In this regard, you may have heard on the radio³ this morning, a National Infrastructure Commissioner, emphasising the importance of leveraging policy crossovers and aligning projects with demonstrable public needs, so as to ensure that major transport infrastructure projects generate the desired future economic benefits);
2. Inadequate consideration of the risks and uncertainties inherent in the project, leading to an over reliance on modelling and spurious accuracy in forecasts of required P&R capacity - when actually the complex, evolving and multi-stakeholder nature of this sort of decision demands a different⁴ type of approach;
3. The assumption⁵ that the P&R East project is “critical” to the 2014 Bath Transport Strategy, and associated with this, the apparent inseparability of the Council’s budgetary decision-making processes with those relating to a more particular project;
4. Inadequate consideration of the full range of stakeholder interests⁶ and concerns, and in particular the impact on residents who don’t own or have access to cars;
5. A major disparity in power⁷ between those making the P&R East decision and those impacted by it, and a growing perception⁸ that this will be used to push the project through regardless of whether it is in the best or enduring interests of Bath & North East Somerset residents.

This is why in scrutinising the issues underlying last week’s “rejected” call-in, I hope you won’t confine yourself to the points the Cabinet would prefer you to debate, but in keeping with the “Overview” part of your remit, you will also focus on the broader strategic risks associated with the P&R East project, considering not only whether budgetary processes have been complied with, but also whether they are the right processes for a decision of this nature. Lastly, I trust that with the same rigor and attention to detail that this panel has previously scrutinised the Council’s use of consultants, you will scrutinise what⁹, when¹⁰ and why this £1m of developmental capital expenditure has been or will be spent.

That way not only will you help allay my fears around the adequacy¹¹ of the Council’s Overview and Scrutiny arrangements, but more importantly, current and future generations of B&NES residents will thank you.

*Nicolette Boater, B.A.(Oxon.), M.Phil.
Strategist, Economist and Policy Analyst
adding lasting value at the public private interface*



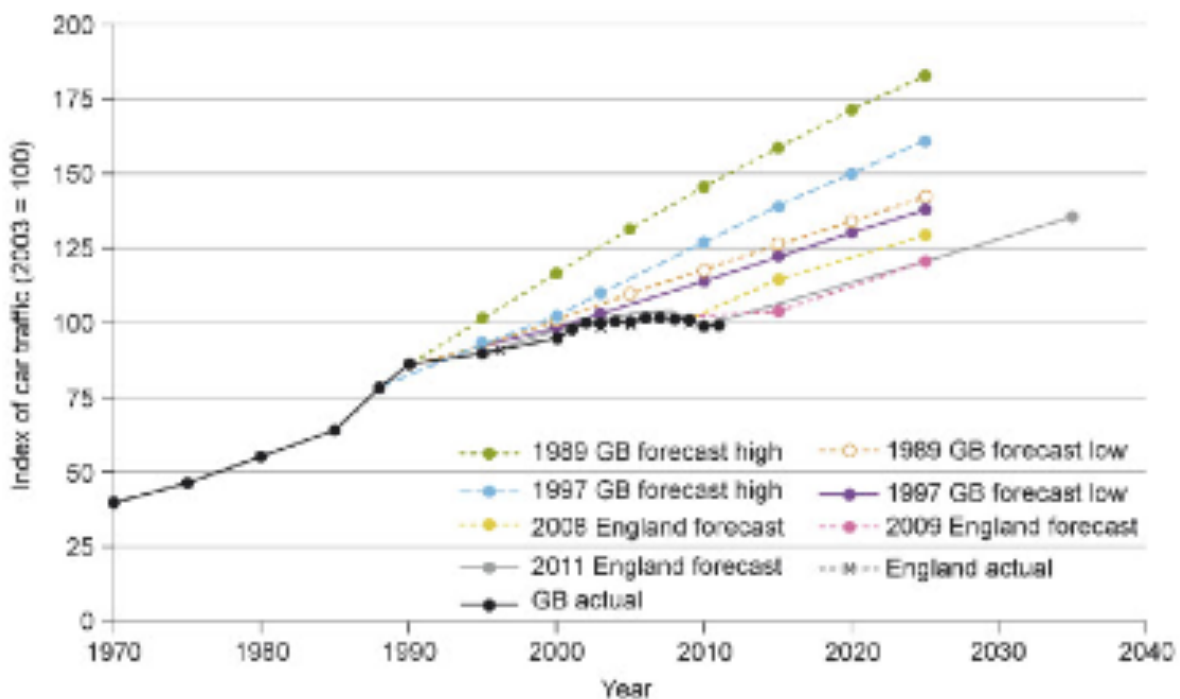
1 As it is impossible to convey the substance or depth of these concerns within a 3 minute spoken statement, more detail is provided in these footnotes.

2 To date the principal decisions relating to P&R East have fallen within the Cabinet Member for Transport's portfolio, with the Lead Officer, the Group Manager for Planning Policy & Transport.

Even in much wider policy contexts, P&R East issue is portrayed as, and only as, a transport issue. However, whilst P&R East may well have a role to play in delivering some important transport objectives, it is also an environmental and social issue with potential adverse and much longer lasting effects on such as flood resilience, air quality and community wellbeing.

3 Namely at around 7.30am on BBC Radio 4 Today programme in context of the anticipated announcement of significant public money being allocated to infrastructure investment in the Autumn Budget statement later in the day.

4 At the Council's 22.3.16 Scrutiny Inquiry, Professor Parkhurst, alluding to the fact that the Department for Transport has consistently over forecast traffic growth,



Dept for Transport forecasts versus real trend

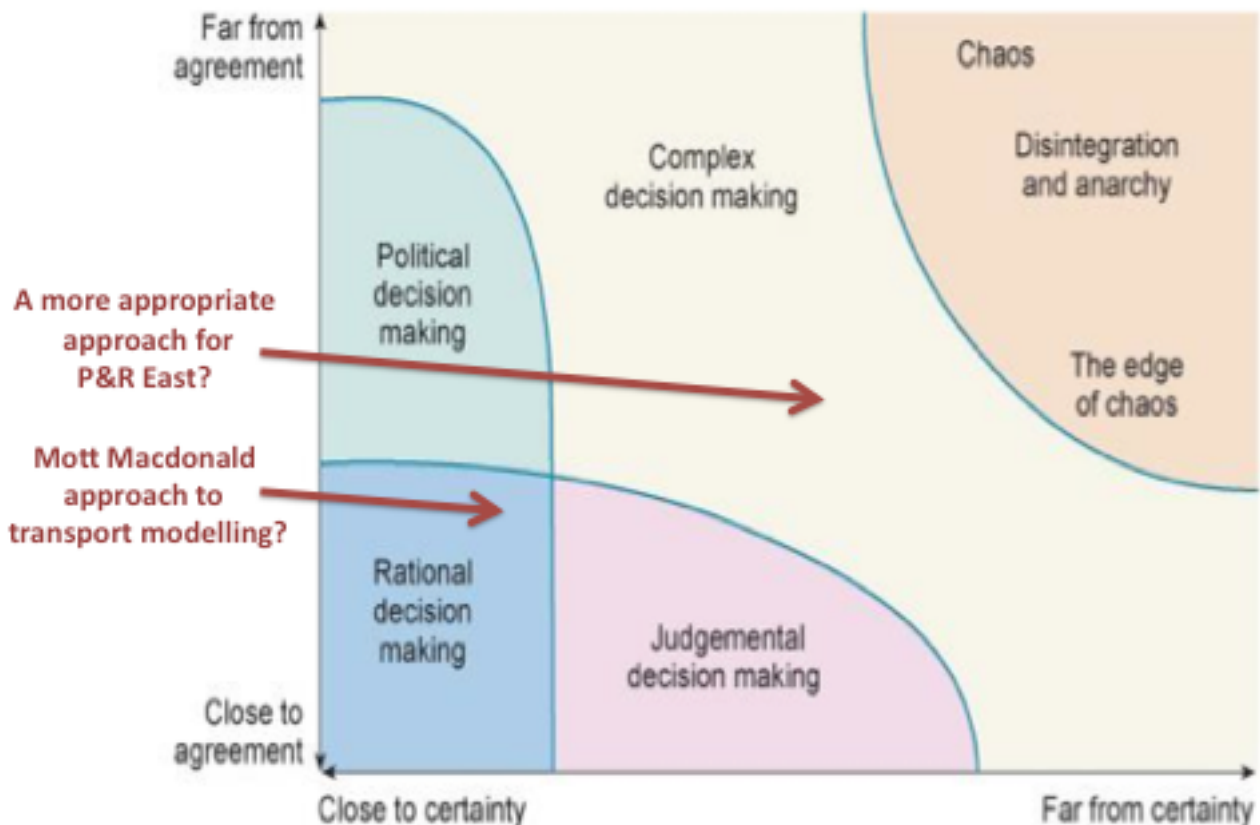
cautioned against reliance on Park & Ride usage projections derived from the Treasury's transport forecasting approach. Instead he took a "backcasting" approach to sustainable and integrated transport. (Slides 2,3,5&14 of his presentation define a desired sustainable future, slides 4-13 describe the present situation and slides 15-18 suggest how Bath may realise its desired future.)

Leading UK policy-makers are also questioning the value or reliability of the traditional "predict and provide" approach to infrastructure investment. For example Bridget Rosewell (OBE, MA, MPhil, FICE, former Chief Economic Adviser to the Greater London Authority and a member of several Commissions looking at the future of public services, cities, infrastructure and local finance) writes

"Unintended consequences bedevil policy making and implementation. Carefully constructed cost benefit analyses often do not produce the expected results in practice. The economist's answer to this conundrum has so far been to construct still more complicated models to include more variables and produce larger and harder to understand results. However, in the real world, uncertainties still abound which both are not and cannot be captured by such approaches. Successful policy making

needs to address such uncertainties, and the potential for many outcomes, especially when making assessments of investments and policies with long term impacts” (PREP, September 2016),

In my statement to 4.5.16 Cabinet, I also highlighted that "The complex, changing and controversial nature of this decision and the consequent scope for unintended consequences and/or irreversible environmental damage, demands a more cautious approach, where incremental changes in accordance with the vision and range of measures identified in the Bath Transport Strategy, are holistically planned and rigorously monitored"



SOURCE:

Adapted from Stacey, R. D. (2002) "Strategic management and organisational dynamics: the challenge of complexity".

5 However, as Councillor Alison Millar expresses very eloquently in her statement to 25.7.16 CTE PDS Panel, and I have evidenced more fully in my 4.5.16, 13.7.16 and 14.11.16 Cabinet statements, **public concern is not about whether the Strategy is appropriate but whether the P&R East project is the best way of delivering the vision and objectives it describes.**

6 In my 4.5.16 Cabinet statement I noted "**serious weakness in the scrutiny process**" underlying the **Council's 22.3.16 scrutiny inquiry** into integrated transport solutions East of Bath. Substantiating this in footnote 1 to that statement, I remarked that "the depth, rigour and openness of the inquiry was impaired by the failure to agree a terms of reference" including (amongst other things) "a comprehensive stakeholder analysis", and that in the absence of this, "Stakeholder participation was heavily skewed towards Council officers and transport professionals with community presentations comprising only 25% or so of the imposed agenda, 12% of attendees commanded around 80% of the rigidly controlled airtime at the six hour inquiry and key stakeholder perspectives were excluded from discussions".

7 The disparity in political power is particularly marked in the current Council administration. Although only 38% of the votes cast at the 2015 Council elections were for Conservative candidates, this has translated into the Conservatives having a comfortable working majority on Council, all PDS Panels and the Development Management Committee. Political control of the Council also brings control over the

decisionmaking agenda, officer and financial resource, which **unless checked by Overview and Scrutiny**, further amplifies the disparity in power between those making decisions and those impacted by them.

8 Annie Kilvington's statement to 14.11.16 Cabinet is an eloquent expression of this perception.

9 Although the data provided in annex 1 of the information report provided to 23.11.16 Resources PDS Panel as "Urgent Business" is not sufficiently disaggregated to be sure, it seems that of the capital funding that has already been spent, of the order of 60% has gone on transport modelling, 18% on site investigations, 13% on project management and 9% on public consultation.

That such a large share of this hitherto unscrutinised expenditure has gone on modelling is particularly disturbing, as this part of the business case for P&R East is strongly contested by residents and professionals. Note for example, how Andrew Lea's analysis of the use of Bath's existing P&R facilities (pages 24 to 55 of Appendix 3 to Item 12 on 4.5.16 Cabinet agenda), drawing on more detailed and up to date data than that underpinning the Bath Transport Strategy, highlights a major gap in the evidence on which both the current Conservative and former LibDem led administrations have advocated the need for P&R East.

10 It is evident from paragraph 3.3 of the 13.7.16 Cabinet report E2890 ("Update on P&R East of Bath and response to CTE Panel's recommendation from the Scrutiny day on 22nd March 2016") that the Cabinet were keen to progress the Single Member Decision required to release further funds as fast as possible. Furthermore in his reply to the first of three questions I submitted to 13.7.16 Cabinet on this subject, Councillor Clarke states "Since this project was approved in November 2014 about £737,000 has been spent" and also affirms in his reply to my 2nd question, that the modelling work had been completed. Consistent with this, paragraph 5.6 of the information report provided to 23.11.16 Resources PDS Panel under the Urgent Business agenda item, asserts that "as a result of [the CTE PDS Panels May 2016] recommendations further [site specific] work *has been* undertaken as outlined in SMD E2900" and annex 1 of this report indicates that £941,936 of the £1.1m of developmental budget for P&R East has already been spent.

These 13.7.16 and 23.11.16 reports raise two major and related concerns, namely (i) that some £204,936 has been spent on site specific expenditure prior to any public decision being made about the amount of additional P&R capacity required, and (ii) that decision E2900 was covertly implemented several weeks before it was formally and publically taken. (If, as entry on the Council's decision register and E2900 decision report suggests it was 15.11.16, then either £141,936 spent in less than a week (and at time when a Call-In had been requested), or, in keeping with 2nd table in Annex 1 of urgent report for 23.11.16 Resources PDS, it was actually implemented in September.)

11 The notified subject of this statement was " the adequacy of Overview and Scrutiny resource with respect to current and future challenges", something I felt well qualified to speak about as one who has observed the workings of the Council's Overview and Scrutiny function from both within and without since 2008, and with a wider interest in its ever changing business and policy context.

That this statement has in fact focused on the P&R East project, reflects not only the subsequent arrival of the urgent item on this meeting's agenda, but also that this project brings to the fore the sort of demands that a controversial and complex policy-related infrastructure investment spanning different council administrations imposes on the Council's Overview and Scrutiny function.

Although I hope that as regards P&R East the Council's Overview and Scrutiny arrangements may yet prove adequate, the reasons I am fearful include:

- **Politically-neutral oversight of the overall P&R East decisionmaking process has been too little and too late:**
Note in particular
 - the lack of rigorous and open scrutiny of the extent of role P&R East was envisaged to play in the Draft Getting Round Bath Strategy prior to its approval in November 2014,
 - that only 6 hours were allocated to the scrutiny of East of Bath Transport solutions in March of this year, and that the lead officer for this inquiry was not the PDS Project Lead Officer but the same officer managing the P&R East project on behalf of the Cabinet,
 - the absence (or at least silence) of a scrutiny officer in subsequent meetings in which P&R East has been on the agenda.
- **The erosion of Overview & Scrutiny officer resource over the last 7 years:**
In 2008 the Council had 3 FTE Overview & Scrutiny officers. There now appears to be only 0.8FTE left. Furthermore this doesn't appear to include "The Policy Development and Scrutiny Lead Officer" the

Council "designated" at 15.1.15 Council, " as the Statutory Scrutiny Officer under Section 31 of the Local Democracy, Economic Development and Construction Act 2009". Although there is no mention in the associated 15.1.15 decision-making report of the competences, responsibilities or identity of the post holder, the legislation it references does imply that this would be someone with sufficient expertise and experience to engage with and challenge other statutory officers and senior executive officers, represent the interests of opposition councillors, and one adequately empowered by their job description so to do.

- **The extent of judgement conceded to both the Chief Executive and Monitoring Officer by an ambivalent constitution:**

The manner in which the 14. 3.16 "requested" call-in of decision E2900 was "rejected" raises concerns that the Executive is exploiting ambiguity in the Council's constitution (some of which might be best explained by historical accident e.g. that the constitution has not been adequately revised or tested since the 15.1.15 restructuring of the Legal and Democratic Services directorate). Indeed the apparent timing of the expenditure to which decision E2900 relates, along with the Cabinet's refusal to take questions at October cabinet, is suggestive of why the Executive might have been motivated to interpret the Council's constitution and associated public laws the way they did.