

## **Performance and Finance Select Committee**

12 July 2019 – At a meeting of the Performance and Finance Select Committee held at 10.30 am at County Hall, Chichester.

Present: Mr Montyn (Chairman)

Mr Catchpole	Mr High	Mr Waight
Mr Barrett-Miles	Mrs Kitchen	Dr Walsh
Mr Crow	Mr Smytherman	
Mr Fitzjohn	Mr Turner	

Apologies were received from Mr Edwards, Mr Jones, Mrs Sparkes and Ms Goldsmith

Absent: Mr Oxlade

Also in attendance: Mr Hunt and Mr Lanzer

### **Part I**

#### **12. Declarations of Interest**

12.1 Mr Smytherman declared a personal interest in relation to Our People Strategy as a Trustee of Coastal West Sussex MIND.

12.2 Mr Waight declared a personal interest in relation to the Forward Plan (Worthing Portland Road Public Realm Works - Adur and Worthing Growth Programme) as a Member of Worthing Borough Council.

12.3 Mr High declared a personal interest in relation to Forward Plan (Worthing Portland Road Public Realm Works - Adur and Worthing Growth Programme) as a Member of Worthing Borough Council.

#### **13. Minutes of the last meeting of the Committee**

13.1 Resolved – That the Minutes of the meeting held on 22 May 2019 be approved as a correct record and that they be signed by the Chairman.

#### **14. Response to Recommendations**

14.1 The Committee received a response from the Cabinet Member for Finance and Resources regarding the Committee's recommendations made at the 22 May 2019 meeting in relation to Property development arrangements – procurement of a property development enterprise to work in partnership with the County Council.

14.2 Resolved – That the Committee notes the response.

#### **15. Our People Strategy - Progress 2018/19 and Priorities for Overview 2019/20**

15.1 The Committee considered the Our People Strategy – Progress 2018/19 and Priorities for Overview 2019/20 report from the Director of Human Resources and Organisational Change (copy appended to the signed minutes).

15.2 The Cabinet Member for Corporate Relations introduced the report, highlighting that the report is a summary of the progress made, future ambitions, and links with the Whole Council Design and cultural change projects.

15.3 The Director of Human Resources and Organisational Change introduced the report and explained that it highlighted the key workforce performance indicators and supporting narrative for 2018/19 which will continue to inform the Council's Workforce/People Strategy. Last year saw good performance on values, engagement, Pulse survey completion and staff conference attendance. Agency staff costs have reduced, more apprenticeships have been undertaken, and completion rates of the Induction course have increased. The number of grievances raised has fallen, as have rates of long term sickness. The Workforce/People Strategy will be informed by this analysis and aim to support staff to work more efficiently.

15.4 The Committee made comments in relation to the report including those that follow. It:

- Commented that the report clearly shows progress is being made and welcomed this reassurance.
- Queried how many line managers there are within the Council that carry out staff appraisals, and queried how many of these line managers had attended the Appraisal and Objective Setting training in order to help staff achieve good/outstanding performance. *The Director of Human Resources and Organisational Change will provide this information to the Committee.*
- Expressed concern regarding the high number of staff experiencing non-RIDDOR incidences of violence at work and queried what this definition means. *The Director of Human Resources and Organisational Change explained this figure encompasses both verbal and physical violence, and that more wellbeing KPIs are required in the report to measure plans and desired outcomes.* Members requested this KPI be split into verbal and physical violence in future reports for clarity.
- Commented on concerns specific to the Fire and Rescue Service (F&RS) staff following the recent HM Inspectorate Report, including whistleblowing, grievances, appraisal completion, and appraisals focusing more on pay than improving performance or development. A Member reported it has been suggested that team spirit has been affected by removing the Values specific to F&RS in favour of the Council's corporate Values, and that the complimentary F&RS Values could be reinstated. *The Director of Human Resources and Organisational Change explained that work has started and been welcomed by the F&RS in order to understand their concerns about aligning to the corporate values, with the aim that by adopting and living the corporate values the best workplace culture can be created and grievance concerns reduced. Work is being undertaken*

*for employee wellbeing, including mental health awareness and training. Appraisal completion and objective setting is being addressed across the Council.*

- Welcomed mental health initiatives, for example within the F&RS, acknowledged that improvements and culture change will take time, and highlighted that commitment to mental health support needs to be made known across all levels of the F&RS. *The Director of Human Resources and Organisational Change agreed and explained that the Service is reflecting upon the support needed to make improvements ahead of a more wide-reaching improvement plan being finalised.* Members supported this work, commenting that support is needed but under their own F&RS identity.
- Queried what the Schwartz Rounds trials in social care services were, and queried whether officers have considered offering a large-scale health and wellbeing scheme to work holistically for the whole organisation such as that offered by mental health charity MIND. *The Director of Human Resources and Organisational Change explained the Schwartz Round is a facilitated process of reflective learning to help support staff with issues particular to the challenging work within social care. Across the organisation mental health first aiding could be beneficial, in the form of a short awareness session for all and more extensive training for those interested.*
- Expressed concern regarding the completion rates for staff performance appraisals. This is particularly important due to the changes in relation to incremental progression which will only be approved if an officer receives a good/outstanding performance appraisal for the 2019/20 year. Commented that appraisals are also important in engaging, motivating and getting the best out of staff, recording their successes, agreeing development plans and ultimately helping them to achieve a rating of good/outstanding to receive incremental pay awards. *The Director of Human Resources and Organisational Change agreed that appraisals are important and officers are working to support and encourage staff and managers to discuss and agree performance objectives for 2019/20, discuss learning and development, and also to consider staff wellbeing. Officer focus is now changing from identifying late 18/19 appraisal returns, a number of which were because managers were waiting to do a single bulk upload of data on to the recording system.*
- Commented that the views of staff groups and the Unions could be included in future workforce reports, and suggested that the Business Planning Group (BPG) consider whether representatives of the Unions should be invited to attend future meetings to present their views. *The Director of Human Resources and Organisational Change stated that the Unions and staff groups are key partners and are included in the thinking behind the emerging Our People Strategy, however the report should have recognised this more prominently.*
- Commented that cross-organisation learning should be considered so that all departments can benefit from good practice and effective resolution of issues. *The Director of Human Resources and Organisational Change commented this should now happen under the new Executive Director Resource Services, who will be working*

*closely with the Chief Executive, as formal and informal cross-organisational learning and demonstrating achievement is important.*

- Requested the Committee be kept informed of the work plan to complete the aims of the Our People Strategy, and requested an outline of the plan with key attainment dates. *The Director of Human Resources and Organisational Change will provide this to the Committee.*
- Commented that further ongoing scrutiny of the Workforce/People Strategy is required, that the Committee would benefit from hearing directly from the staff affected, and that the BPG should consider how best to achieve this.
- Expressed concern that the Pulse survey results show that staff who agreed they felt it was "safe to speak up and challenge the way things are done" was only 35%, queried whether this was indicative of a bullying culture throughout the organisation, and commented that action should be taken to encourage whistleblowing and action on staff improvement suggestions. *The Director of Human Resources and Organisational Change commented that the survey provides a viewpoint that was previously unknown and it is encouraging that staff views are now being offered and heard. The focus now will be on acting on the feedback and making improvements. The Cabinet Member for Corporate Relations commented that behaviours in any political organisation cascade down so Members also have a role to play in setting a good example in meetings and not deterring challenge.*
- Commented that the overall average Pulse survey completion rate is increased by the higher rate of return in the Chief Executive's department, and that overall completion rates are lower this year than in previous years. *The Director of Human Resources and Organisational Change explained that often staff participation in staff surveys declines over time, however the questions asked regularly change and completion rates have recently increased due to staff accessing the survey via the Big Exchange staff app.*
- Requested clarification of the overall Council figure for percentage of questions in the Pulse survey that received a 'positive score' for 2018/19 as the average score for the directorates does not equal the 71% stated. *The Director of Human Resources and Organisational Change will clarify the explanation for this to the Committee.*
- Requested that the presentation of workforce KPIs be more user friendly, that they reflect the information required, and that comparator information be included and the quarterly information contained within the Total Performance Monitor (TPM) report be strengthened to chart progress.

#### 15.5 Resolved:

- 1) That the Committee welcome the mental health training initiative;
- 2) That the Committee recommend the involvement of the Unions in future workforce reports, that consideration be given to representatives of the Unions attending Committee to present their

views, and that this be considered by the Business Planning Group at the appropriate time;

- 3) That the Committee expresses concern regarding the completion rates of performance appraisals and what is being done to improve this, particularly as there is now a greater linkage between performance and incremental pay progression;
- 4) That the Committee recognise the Council needs to learn and share best practice;
- 5) That the Committee request the progress on developing the Workforce/People Strategy be shared with the Committee;
- 6) That the Committee are concerned by the return rates of the Pulse survey, particularly around the organisations culture of listening to staff; and
- 7) That the Committee request the presentation of key performance indicators be more user friendly, that they reflect the information required, and that comparator information be included and the quarterly report strengthened to chart progress.

## **16. Treasury Management Annual Report 2018/19**

16.1 The Committee considered the Treasury Management Annual Report 2018/19 from the Director of Finance and Support Services (copy appended to the signed minutes).

16.2 The Cabinet Member for Finance and Resources introduced the report and thanked the treasury team for their excellent work over the year.

16.3 The Financial Reporting Manager introduced the report, which details the Council's position and compliance at end of 2018/19. No new external borrowing has been taken during 2018/19, and investments have achieved £300,000 above expectation during the year so this has been moved to the interest smoothing reserve.

16.4 The Committee made comments in relation to the treasury management annual report 2018/19 including those that follow. It:

- Queried in relation to officers evaluating forward starting commercial loans as a funding source, when officers expect that the Council will no longer be able to internally borrow. *The Financial Reporting Manager confirmed the Treasury Management Strategy states the tipping point for needing to externally borrow is in year 2020/21. The Director of Finance and Support Services informed the Committee that additional borrowing was taken with the Public Works Loan Board (PWLB) in the first quarter of this year.*

16.5 Resolved - That the Committee noted the Treasury Management Annual Report 2018/19.

## **17. Business Planning Group Report**

17.1 The Committee considered a report by the Chairman of the Business Planning Group (BPG), (copy appended to the signed minutes).

17.2 The Senior Advisor introduced the report which provides an update from the latest BPG meeting held on 17 June 2019, setting out the key issues discussed and highlighting key information for the Committee. The Cabinet Member for Corporate Relations and Cabinet Member for Finance and Resources attended the BPG to outline their portfolio priorities for the coming year to feed into the Committee's work programme. The Chief Information Officer attended regarding the IT Strategy and the BPG were satisfied this item does not need to come before the Committee. The Strategic Contracts and Supplier Relationship Management Lead attended to provide information on the strategic and business critical contracts relevant to the Committee's remit; the BPG was satisfied with the information and welcomed this regular review. The amended Terms of Reference for reconvening of the Contracts Management TFG were agreed.

17.3 The Cabinet Member for Finance and Resources informed the Committee that the PropCo Joint Venture decision preview scheduled for the October meeting of the Committee may need to be delayed until the December meeting due to the volume of work required before a significant update on the project can be provided to Members. *The Chairman noted this and commented that if the decision preview isn't ready for the October meeting then a substantial update be brought to the Committee instead.*

17.4 The Committee made comments in relation to the BPG report including those that follow. It:

- Commented that the Environment, Communities and Fire Select Committee BPG felt the strategic and business critical contracts information sheets provided to them were difficult to read and unclear what should be done as a result of the information as there is no accompanying guidance. It was suggested a summary report be provided alongside the information sheets to highlight important information and recommend any actions. Concern was expressed that senior service managers were not aware that the information was being provided to the BPG *The Director of Finance and Support Services will pass this feedback to the team for future reports.*

17.5 Resolved:

- 1) That the Committee endorses the content of the report and supports the update to the work programme as recommended by the BPG; and
- 2) That the Committee notes the latest Task and Finish Group rolling programme.

## **18. Forward Plan of Key Decisions**

18.1 The Committee considered the Forward Plan of Key Decisions plus updated extract (copy appended to the signed minutes).

18.2 Members queried the accuracy of the Worthing Portland Road Public Realm Works entry. At the County Local Committee (CLC) meeting on 8 July and recent Public Realm Board Members were informed the Portland Road scheme is continuing but the South Street element is on hold and will not follow after Portland Road as planned due to unresolved issues with bus services. Members requested the entry be updated to reflect the latest information and correct sequencing of works. *The Senior Advisor will request this Forward Plan entry be updated.*

18.3 Resolved – That the Forward Plan be noted.

## **19. Date of Next Meeting**

19.1 The Committee notes its next meeting will take place on 3 October 2019, commencing at 10.30am.

The meeting ended at 12.31 pm

Chairman