

Performance and Finance Select Committee

3 October 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	Mrs Sparkes
Mr Barrett-Miles	Mr Hillier	Mr Turner
Mr Crow, Arrived at 10.47	Mrs Kitchen	Mr Waight
Mr Edwards	Mr Smytherman	Dr Walsh

Apologies were received from Mr Fitzjohn, Mr Jones and Mr Oxlade

Also in attendance: Mr Hunt and Mr Lanzer

20. Declarations of Interest

20.1 In accordance with the code of conduct the following personal interests were declared: -

- Mr Smytherman in relation to item 5 (Total Performance Monitor as at end June 2019) as a member of the Local Governing Board of St Mary's RC Primary School Worthing and Governor of the Alternative Provision College for West Sussex
- Mr Waight in relation to item 6 (Capital Programme 2019/20 – 2023/24 Quarter 1 Performance Report) as a Member of Worthing Borough Council
- Mr High in relation to item 6 (Capital Programme 2019/20 – 2023/24 Quarter 1 Performance Report) as a member of the Adur & Worthing Growth Programme Public Realm Board and item 7 (Property development arrangements – update on progress in procurement of a property development enterprise) as Chairman of Worthing Borough Council's Planning Committee

21. Minutes of the last meeting of the Committee

21.1 Resolved – that the Minutes of the meeting held on 12 July 2019 be approved as a correct record and that they be signed by the Chairman.

22. Medium Term Financial Strategy (MTFS) Update 2020-21 and 2021-22

22.1 The Committee considered a report by the Cabinet Member for Finance and Resources (copy appended to the signed minutes) which was introduced by the Cabinet Member, Mr Hunt, who told the Committee: -

- The Medium-Term Financial Strategy (MTFS) had been revised following the announcement of the Spending Round 2019 (SR19) which

allocated funding for one year, and the increased pressure on the Council's expenditure due to the cost of the Children's Services Improvement Plan and the Fire & Rescue Service's Improvement Plan

- The Council's share of the SR19 grant for social care could be £11.3m
- There could be a £13m budget surplus in 2020-21 but this could easily be eradicated if exceptional circumstances arose
- Money from the reserves was being used for the Children's Services Improvement Plan and the Fire & Rescue Service's Improvement Plan

22.2 Summary of responses to Members' questions and comments: -

- The outcome of the Commissioner's review of Children's Services did not include financial implications and therefore the cost risks have not been included within the current MTFS
- The MTFS must show that the money the Council receives from the Adult Social Care aspect of the Council Tax precept will be spent on Adult Social Care (although it does not have to be allocated to specific areas) and declared to the Government
- All possibilities would be explored for allocating the £13m budget surplus
- The Committee recognised the uncertainties and budget pressures that exist nationally and that the Council still faces significant funding issues
- The Committee raised concerns over the extra income from on-street parking and the non-treatment of weeds on pavements

22.3 Resolved – that the Committee: -

- i. Asks the Cabinet Member for Highways and Infrastructure: -
 - a. Whether the extra income from on-street parking would be dependent on the outcome of the various programme reviews taking place around the county
 - b. Whether any savings resulting from the non-treatment of weeds on pavements could lead to uneven and damaged surfaces and trip hazards which could lead to increased claims and pavement repairs
- ii. Recognises that there is still a funding shortfall
- iii. Requests that the Cabinet Member for Finance and Resources reminds Cabinet colleagues that any unintended consequences are carefully considered when developing savings plans

23. Total Performance Monitor as at end of June 2019

23.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes) which was introduced by the Cabinet Member for Finance and Resources who told the Committee: -

- The Total Performance Monitor (TPM) sets out how funds will be found to make all services, especially Children's Services and the Fire & Rescue Service, the best they can be

- It was possible that some money from reserves would be needed this year to balance the budget
- Work was on-going to find ways to mitigate the predicted overspend

23.2 The Director of Finance and Support Services told the Committee: -

- There had been positive discussions about identifying possible underspends
- There were proposals to utilise capital receipts flexibly to finance transformation

23.3 The Cabinet Member for Corporate Relations updated the Committee on the Whole Council Design (WCD) project saying: -

- The Council was trying to generate savings by changing how it delivered services via a more flexible workforce, more efficient use of technology to support residents and reducing administrative functions
- Expectations were high, but some money had been diverted to Children's Services which affected the delivery of WCD
- There was scope to review how the programme was administered
- WCD was an essential programme with potential to produce long-term savings

23.4 Summary of responses to Members' questions and comments: -

- The budget set out for the Children's Improvement Plan is based on information to date, if the Commissioner identifies other issues these will need to be funded. This may mean using reserves.
- There was concern about finding future savings without knock-on effects – savings proposals were always challenged by Cabinet Members, and officers should be thanked for finding possibilities in an extremely difficult situation
- There was concern that the TPM presented to the Committee was out of date – better scheduling of meetings or an update paper would be useful
- The Children & Young People's Services Select Committee had looked at the lack of capacity in schools for children with special needs and learned that five special support centres had been set-up this year and that more would follow – this should reduce the number of children being placed out of county
- The new appraisal system aimed to be beneficial to staff, managers and ultimately residents
- The number of officers completing appraisals was as expected for a new system
- Any concerns with resourcing the new appraisal system and non-performance should be passed to the Director of Human Resources and Organisational Change
- Concerns around the predicted savings linked to the Shaw Homes contract should be raised with the Executive Director for People Services via the Health & Adult Social Care Select Committee
- The Cabinet Member for Corporate Relations would provide a response to concerns about money being spent on new office furniture when the Council's budget was strained

- The Council was not completely struggling to identify the £1.5m savings for 2019/20 identified through the WCD programme and was offering up targets on a year by year basis to avoid any non-achievement of savings
- Proposals for WCD needed to be developed fully through business cases before possible staff reductions were known
- A timetable was being developed to give assurance and confidence that the WCD savings identified in the Medium-Term Financial Strategy for 2020-21 (£5.3m) and 2021-22 (£3.5m) were achievable as there are issues achieving the savings identified for 2019/20. Work is also on-going to improve the monitoring of the programme.
- Delivery plans for WCD were being strengthened and a lot of positive work had taken place improving online accessibility for residents
- The changes being made through WCD should be better publicised
- The Committee supported WCD, but felt more urgency and focus was required and wanted to see more detail on the programme costs and savings

23.5 Resolved: - that the Committee: -

- Asks the Health & Adult Social Care Select Committee to look into issues around the Shaw Homes contract
- Recognises the continuing challenge to achieve savings
- Supports the Whole Council Design programme, but needs more insight and asks for more in-depth information on expenditure and savings at a future meeting of the committee
- Feels that Committee meetings should be scheduled closer to publication of the Total Performance Monitor or an update paper produced if the report is out of date

24. Capital Programme 2019/20 - 2023/24 Quarter 1 Performance Report

24.1 The Committee considered the Capital Programme 2019/20 – 2023/24 Quarter 1 Performance Report (copy appended to the signed minutes) which was introduced by Matt Hall, Capital Programme Manager Resource Services, who highlighted the following: -

- The Local Enterprise Partnership decision on the A29 project was expected in October
- A review of options was taking place for the Woodlands Mead project and the capital design phase was in delivery
- The Windmills Junior School project was now reporting as Green
- The Fire Accommodation project had been completed
- One of four targets for the A285 Road Safety project was at risk due to a change in reporting methodology by Sussex Police – the success of the project could be assessed by the other three targets
- The recording of the benefit in relation to the take-up of new school places targets would be staggered in future to better reflect what happens in practice

24.2 Summary of responses to Members' questions and comments: -

- Efforts were being made, including discussions with the Local Enterprise Partnership to ensure there was enough money to complete the northern stage of the A259 corridor improvements – the challenge was the £10m cost of a viaduct
- Worthing Growth Programme Board had decided to go for better quality work on Portland Road, raising the project cost from £1m to £2.7m jeopardising the South Street project - Worthing Borough Council was therefore bidding for more money to complete other projects
- There was no capital funding for alternative education provision currently provided in the capital programme, this is addressed within the Council's Asset Strategy and included in the programme as required
- There was concern that the Council's reputation would suffer if the Woodlands Mead project could not be delivered
- The Children Looked After project was at risk because seven beds were delivered instead of seven bedrooms so one bed could not be used
- Final sign-off of the PropCo Angel's Nursery, Barnham was imminent

24.3 Resolved – that the Committee: -

- i. Raises concerns over the funding of the Worthing Growth Programme and why costs have substantially increased
- ii. Raises concerns about the capacity of alternative school provision and whether capital input is required
- iii. Asks to be provided with further information in relation to the Woodlands Mead project and that clear communication about the project is issued

25. Property development arrangements - update on progress in procurement of a property development enterprise

25.1 The Committee considered a report by the Executive Director Resource Services (copy appended to the signed minutes) which was introduced by Malcolm Mayo, Technical Project Manager who told the Committee: -

- Carter Jonas had been appointed as strategic property adviser to assist the project based on finance and quality assessments and had experience advising other councils on similar projects
- There had been six responses to the Legal Services tender and quality assessments were now taking place – all have relevant experience and are within budget
- The agreement with Legal Services needs to set out what the Council wants to achieve, how it wants to be protected, how risks will be dealt with, how partnership agreements are set-up with the operating company, the way land is protected, the way companies operate and the way money comes back to the Council – Carter Jonas and the Council's legal team will be able to assist with this
- Next steps are to complete appointments and carry out due diligence on how companies will be set-up, how the operation will run, how

procurement will work and what sites will be included, how returns will work and what the Council's market positioning will be

25.2 Summary of responses to Members' questions and comments: -

- The Cabinet Member Decision Report due in December would list the sites to be included in the short/medium-term
- The project would start with eight to ten sites that give the best revenue and capital returns with others added as the project progressed
- The Council would work with the joint venture company to determine the financial viability of each site – this would determine the order in which they were developed
- Local Members would be advised if a site in their area was included and they would have opportunity to comment on developments through the usual planning process
- The joint venture company will be separate to the Council and will have to abide by planning laws
- The possibility of working with other local authorities in West Sussex could be explored

25.3 Resolved – that the Committee requests: -

- i. That the decision report contains a list of sites to be included in the joint venture
- ii. That local Members are kept up to date and consulted
- iii. The Cabinet Member for Finance and Resources considers whether there are any opportunities to work with other local authorities within West Sussex

26. Forward Plan of Key Decisions

27.1 The Committee considered the Forward Plan of Key Decisions (copy appended to the signed minutes) and had concerns over the future of small schools. The Cabinet Member for Finance and Resources assured the Committee that the decision had been made to undertake consultation only at this stage.

27.2 Resolved – that the Committee notes the Forward Plan of Key Decisions.

27. Possible Items for Future Scrutiny

26.1 The following subjects were suggested: -

- Whole Council Design
- Preparedness for Brexit
- Working with other local authorities in West Sussex – covered by county local committees, individual select committees or the West Sussex Joint Scrutiny Steering Group

26.2 Resolved – that Whole Council Design and Preparedness for Brexit will be considered by the Business Planning Group for possible inclusion in the Committee's work programme.

28. Date of Next Meeting

28.1 The next meeting of the Committee will take place at 10.30 on 5 December 2019. Fees and Charges will be an additional item at that meeting.

The meeting ended at 1.47 pm

Chairman