

Performance and Finance Scrutiny Committee

10 September 2020 – At a meeting of the Performance and Finance Scrutiny Committee held at 10.30 am at Virtual meeting with restricted public access.

Present: Cllr J Dennis (Chairman)

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| Cllr Catchpole | Cllr M Jones | Cllr Turner |
| Cllr Barrett-Miles | Cllr Kitchen | Cllr Waight |
| Cllr Boram | Cllr Montyn | Cllr Walsh, left at 2pm |
| Cllr Bradford | Cllr Smytherman | |
| Cllr Edwards | Cllr Sparkes | |

Apologies were received from Cllr Crow and Cllr Urquhart

Absent: Cllr Barling

Also in attendance: Cllr Hunt, Cllr Lanzer, Cllr Marshall, Cllr Elkins, Cllr A Jupp, Cllr N Jupp and Cllr Russell

Part I

79. Declarations of Interest

79.1 Cllr Lanzer declared a personal interest in relation to the Economic Recovery Plan [Gatwick] as a Member of Crawley Borough Council.

79.2 Cllr Sparkes declared a personal interest in relation to the Economic Recovery Plan as an Executive Member of Worthing Borough Council.

80. Minutes of the last meeting of the Committee

80.1 Resolved – That the Minutes of the meeting held on 9 July 2020 be approved as a correct record and that they be signed by the Chairman.

81. Responses to Recommendations

81.1 The Committee received a response from the Cabinet Member for Finance to the recommendations made by the reconvened Contracts Management TFG.

81.2 Resolved – That the Committee notes the response.

82. Q1 Total Performance Monitor

82.1 The Committee considered the Quarter 1 Total Performance Monitor (TPM) report from the Director of Finance and Support Services (copy appended to the signed minutes).

82.2 The Cabinet Member for Finance introduced the report, noting it is the first full quarterly report showing the effect of COVID-19. Key spend

increases are expected in the children looked after (CLA) service and home to school transport. Cases of COVID are rising in the UK and the chance of a second wave with further lockdown would greatly affect both the national and local economy.

82.3 The Chairmen of the service scrutiny committees present were invited to present a brief update on the current issues and work of their committees.

82.4 The Director of Finance and Support Services introduced the finance aspect of the report, highlighting that financial performance is very challenging at the current time and the council are lobbying for additional COVID funds. The Medium-Term Financial Strategy (MTFS) section of the report looks forward at the issues faced and the uncertainty of funding.

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

- Expressed concern that incidences of unsafe practice and failure to meet statutory duties have not been picked up by management or shown in the performance measures and audit processes, particularly in relation to mental health services. Further agreed the Regulation, Audit and Accounts Committee (RAAC) should be asked to review the audit planning processes in order to highlight issues earlier in relation to both financial and operational control processes.
- Questioned whether empty residential care beds provided through the block contract could be used for respite care and how the Adult Services budget could be balanced without a reduction in service given the significant increase in costs. *The Cabinet Member for Adults and Health recognised the decrease in numbers accessing residential care at the moment which was due to a national concern and confidence in the care sector during the COVID-19 situation. It was also recognised that organising respite care during the COVID crisis has been difficult.*
- Commented that proper adult social care funding is needed, and queried if the service are managing with the existing levels of mental health staff or needing to increasingly rely on volunteers. *The Cabinet Member for Adults and Health confirmed there is a shortage in the service and work is underway in trying to attract more support. Redundancies at Gatwick Airport as a result of COVID have provided some recruitment opportunities for care workers, and the service are working with local schools, colleges and universities to promote Healthcare as a career option. A website 'Proud to Care' has been developed to encourage recruitment in the sector. The Council continues to lobby Government for proper social care funding.*
- Supported bringing the situation in relation to care market pressures to the Governments' attention and supported the HASC Enquiry Day in January which will also consider looking at care market pressures.
- Commented on the increased demand in the Children Looked After (CLA) and High Needs Block services. Queried whether a change in policy or socio-economics had caused the increase in numbers of

CLA, whether the numbers of CLA were expected to continue to rise given the public health pandemic, and queried in relation to the increased budget gap in both services whether the right delivery models were in place to provide these essential services. *The Cabinet Member for Children and Young people explained that there was a significant increase in demand for CLA placement, with the service further under pressure due to COVID-19. An Access to Resources Panel has been set up to ensure a good delivery plan and value for money but the benefit of this will not be seen until the next financial year. The service finance is affected by the three children's homes currently closed for refurbishment; these are due to re-open in March 2021 which will reduce costs. The Cabinet Member for Children and Young People undertook to provide further information on the causes of the increased numbers of CLA.*

- Queried whether the right delivery model was in place for a cost effective service provision given the increase in numbers of children with an Education, Health and Care Plan (EHCP) and the budget strain on schools. *The Cabinet Member for Education and Skills commented that the delivery model was not as effective as it could be, as 650 children attend Independent or out of county schools rather than schools within West Sussex. Research is being completed on future special education needs demand which will provide useful information for school place planning; engagement with Further Education colleges in the county to gauge their special educational needs demand will also being undertaken.*
- Commented that the High Needs Block from the Dedicated Schools Grant (DSG) is significantly raised and queried how this compares to neighbouring counties. *The Cabinet Member for Education and Skills will provide detailed figures to the Committee. The Director of Finance and Support Services commented the overspend for DSG is not as high as other authorities but that lobbying Government for sufficient funding should continue.*
- Recognised there is to be a cross-cutting Home to School Transport Task and Finish Group, with details of remit and Terms of Reference to be discussed with officers and the Chairman of CYPSSC shortly.
- Queried what the cost to the Council has been for addressing Ash Dieback, and how this has been addressed with private landowners adjacent to public highways. *The Cabinet Member for Highways and Infrastructure commented that inspections are underway but that costs could be significant, and undertook to provide figures to the Committee.*

82.6 The Interim Director of HR and Organisational Change introduced the Workforce section of the TPM, highlighting that the council should be proud of the workforce who have been under pressure, with many staff re-deployed, adapting or stepping-up to additional roles. An increase in mental health sickness has been seen and there is a drive for staff to recognise and talk about mental health. Support for flexible working has been provided which has also reduced the council's carbon footprint.

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

- Queried whether staff training has continued and moved to an online/virtual platform, whether this has been effective, and if this

should be a model for the future. *The Interim Director of HR and Organisational Change confirmed most training has moved online and much more is being re-designed to go virtual too.*

- Acknowledged the Council is facing significant change, and queried if the HR capacity needed to cope with the extra projects, process changes and workload is known. The Committee looks forward to seeing the People Framework at a future meeting and inputting feedback to it. *The Cabinet Member for Economy and Corporate Resources noted that an understanding of demand is required and that the People Framework will address culture change as well as helping to ensure the right staff and skills are in place for future operation.*

82.8 The Director of Finance and Support Services introduced the Transformation and Risk aspects of the report, and noted that the Capital aspect of the TPM report would be discussed during the Capital Programme Performance Monitor item. The Risk Register highlights some new risks regarding COVID including pressure on council staff, in particular senior staff.

82.9 The Committee made comments in relation to the TPM Transformation and Risk sections including those that follow. It:

- Queried regarding Corporate Risk 1 (No-deal Brexit) whether the estimated potential knock-on cost and organisational pressures for the Council of such an outcome are known, whether these are quantifiable, and queried whether the Council have made clear to the Government the potential effects. *The Cabinet Member for Finance recognised changes to service demand on the workforce, for example in Social Care and Trading Standards, and confirmed that the Council is working with others on a response to Government. The Director of Finance and Support Services explained work was previously undertaken however this will require revision in light of COVID-19. It has been factored into the Reset work but is a live risk issue.*
- Queried what is being done to support local businesses who may experience hardship due to Brexit export or market changes. A response will be sought from the Cabinet Member for Economy and Corporate Resources.
- Queried regarding Corporate Risk 71 (staff continuing to work from home during the pandemic) whether this will change in light of recent Government advice to return to workplaces. Queried whether an assessment of staff productivity in the office versus from home has been undertaken, and encouraged an evidence-based approach to future working practice. *The Director of Finance and Support Services commented that working practice is being discussed and lessons learned; both methods have advantages and drawbacks, which can differ between departments and individuals. The Director of Property and Assets also explained to the committee that there are three criteria for staff returning to work from Council offices; operational, well-being and physical environment. The offices cannot function at the same density as in the past due to ensuring safe social distancing requirements.*
- Requested that the Committee be updated on the increased risk seen to Corporate Risk 22 (financial stability of Council services).

- Acknowledged the new Corporate Risk 70 (increased demand placed on the senior officers) due to the ongoing threat of COVID-19.

82.10 The Head of Intelligence and Performance introduced the performance aspect of the TPM report, highlighting that the performance indicators have been reviewed; those that cannot be adequately measured at the current time due to COVID-19 have been suspended, and some additional indicators have been added.

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

- Commended officers on a well-presented and useful explanation of the suspended performance measures. Commented that it was pleasing that many measures were amended to enable ongoing performance monitoring.
- Queried whether the performance monitoring data included in relation to road condition should include all roads, B C and unclassified roads, not just 'A' roads. *The Cabinet Member for Highways supported the monitoring of the wider network if affordable and will keep the Committee informed of the processes and performance data in place.*
- Commented regarding measure 33 (Economic Growth – GVA) that an amber prediction for the end of the year seemed optimistic given the current circumstances.

82.12 The Chairman commented that uncertainty is the over-arching theme in the TPM on the ongoing situation with COVID-19, plus the uncertainty over a potential second wave in addition to the uncertainty over Brexit. Key issues and areas of concern will continue to be picked up by scrutiny committees and Task and Finish Groups.

82.13 Resolved:

- 1) That the Committee express concern on the unsafe practices not being picked up by management or through audit processes, particularly in relation to mental health services, and recommend that the Regulation, Audit and Accounts Committee (RAAC) review the audit planning and processes to highlight issues earlier in relation to both financial and operational control processes;
- 2) That the Committee support the work of the Cabinet Member for Adults and Health in bringing the situation in relation to care market pressures to the Governments' attention and support the HASC Enquiry Day in January, including care market pressures on their Agenda;
- 3) That the Committee request the Cabinet Member for Children and Young People provides further details to the Committee on the large increase in demand in relation to Children Looked After;
- 4) That the Committee recognise there is to be a cross-cutting Home to School Transport TFG, with details of remit and Terms of Reference to be discussed with officers and Cllr Barling, Chairman of CYPSSC, next week;

- 5) That the Committee look forward to seeing the People Framework at a future meeting and inputting feedback to it;
- 6) That the Committee request information on how the Council is preparing and supporting local businesses in relation to Brexit; and
- 7) That the Committee request information on productivity in relation to officers working from home versus working from the office.

83. Q1 Capital Programme Performance Monitor Report

83.1 The Committee considered the Quarter 1 Capital Programme Performance Monitor report by the Director of Property and Assets (copy appended to the signed minutes).

83.2 The Capital Programme Manager introduced the report on the position at the end of June 2020, highlighting that the report appears to show a return to business as usual on construction projects following COVID-19 site restrictions. A relatively high proportion of amber reports may reflect an enhanced sensitivity to risk and high degree of uncertainty for projects with longer delivery programmes.

83.3 The Committee made comments in relation to the Capital Programme Performance Monitor report including those that follow. It:

- Queried whether the Barnham Primary School pipeline project is stalled or undeliverable. *The Capital Programme Manager explained a viability assessment indicated the project is undeliverable but that alternatives options are being explored to provide additional school places in the area.*
- Noted that approval had been given to allocate £4.175m to the Horsham Enterprise Park (HEP) project and queried whether the project had been reviewed in light of changes due to COVID-19. *The Capital Programme Manager commented that the funds are for enabling works to prepare the site ahead of then deciding how to progress it. The Director of Property and Assets commented that all pipeline-stage projects are kept under review as they are developed. It was noted that the situation for the HEP site remained favourable for development as previously outlined. The Cabinet Member for Finance commented indications were that commercial interest remains in the HEP site.*
- Queried in relation to the Worthing Public Realm Design Stage scheme whether the highlight report had now been received. *The Capital Programme Manager confirmed the handover with Worthing Borough Council is still ongoing; the monthly highlight report had been received and was reported 'green'.*
- Requested clarification of the update for the Rural Connectivity Programme. *The Capital Programme Manager undertook to request further information for the Committee from the service.*

83.4 Resolved - That the Committee notes the Quarter 1 Capital Programme Performance Monitor report and recognises that the report reflects the uncertainty of the current time.

84. West Sussex: Reset and Reboot

84.1 The Committee received a report by the Leader giving an overview of the reset and reboot priorities post COVID-19, as presented to Council in July (copy appended to the signed minutes).

84.2 The Leader introduced the report, commenting that COVID-19 has significantly interrupted the Council's plans and service delivery. A recent significant rise in cases could lead to a second wave of COVID over the winter, the extent of which is unknown. The Reset document evaluates what key services are needed for the future, and all Members will be included in the ongoing development of the document before it goes for approval by Full Council in December 2020.

84.3 The Committee received an update on the Reset and Reboot project from the Chief Executive. Building upon the Reset document, the Reboot document will be the integrated plan regarding performance, finance, and risk associated with the reset plans and will be based on local evidence. It will include service improvements, be underpinned by a focus on climate change, and incorporate best learning from the COVID-19 experience. The Reboot aims to support all Members in their roles, ensure Members and officers work well together, and ensure the Council works efficiently with other Partners. It will also support core operational standards for officers (including the People Framework) and work is already underway on the action plan which will underpin this; the action plan will go for Cabinet approval later this year and then come to the Committee for comment.

84.4 The Committee made comments in relation to the reset and reboot project including those that follow. It:

- Highlighted the need for rapid access to COVID-19 testing within the county, and encouraged the Council to work with the NHS to set up local provision. *The Chief Executive explained the Council are lobbying hard on this locally, regionally and nationally. There is also a critical need for laboratory testing capacity and the Council are working closely with partners on solutions.*
- Commented that devolution is referred to in the Policy Context of the Reset, and the County Councils Network (CCN) recently published an evaluation by PwC of the implications of local government reorganisation in two tier counties. Queried what conclusions have been drawn from that for West Sussex and, rather than continuing with a 'wait and see' approach, should the Council now be preparing or updating earlier work on this issue in order to be able to respond to the White Paper once published. *The Leader explained he is a member of the CCN and South East 7 Leader Group where devolution is regularly discussed. Conversations with district and borough council Chief Executives are unlikely without a framework from Government within which to hold discussions and, given the current difficulties for councils in maintaining their services during COVID-19, discussion of devolution at this time would be a distraction. There are opportunities and potential benefits in unitary status but the second tranche is expected to focus on the Midlands.*

- Noted some concern that there has been no consultation with district and borough councils on devolution. The Committee supported devolution discussion being set aside for the future given the current COVID-19 situation facing councils. *The Leader noted the concern and comments.*
- Commented that significant governance, IT, and service provision work had been identified at the Council prior to the additional effect of COVID-19. Queried if there is sufficient resource and appetite for possible organisational change to deliver a modern and effective Council for the future. *The Chief Executive explained that change to the organisation will be led by the services, rather than by a transformation programme or team. There needs to be a concentration on key areas rather than lots of individual projects. A key change will be to simplifying the decision making process. The tier and span of management will be considered so that change to organisational culture will be driven by good managers with clarity of purpose, backed up by clear employment policies. The Council needs to be better at 'finishing things'.*
- Commented regarding Corporate Risk 71 [staff will be expected to continue to work from home] whether this expectation will change once Government guidance changes, and whether staff will be supported to continue to work from home if they are in favour and it realises service or corporate benefits. *The Chief Executive said that productivity would be the key factor in assessing the benefits of working from home versus the office, and it must also be balanced against the temptation for staff to work longer hours at home which can be an issue. Staff views are being gauged and, while some roles do need to be office-based, many are saying they are more focused when working from home.*

84.5 Resolved:-

- 1) That the Committee support the lobbying at regional and national level to improve the capacity of the COVID-19 test and trace system, particularly in relation to laboratory testing capacity; and
- 2) That the Committee recognise an effective conversation cannot take place on devolution until a framework is issued by the Government.

85. Economy Reset Plan

85.1 The Committee considered the Economy Reset Plan report by the Executive Director for Place Services (copy appended to the signed minutes).

85.2 The Cabinet Member for Economy and Corporate Resources introduced the report, offering thanks to the small Economy Team for their good work. West Sussex in normal times has a strong economy overall although with some area disparities in economic performance. The Economy Reset Plan will provide an update of the Economic Growth Plan 2018-2023 to reflect the impact of COVID-19. The focus is now on rebuilding the economy by working in partnership to influence others, especially addressing the impact across the different economic areas as well as sectors hardest hit including aviation, hospitality and tourism, and

adult social care, with selective intervention where needed and appropriate. Additional emphasis will be given to the adoption of digital technology and wider employment and skills, and commitment will be maintained to the Growth Deals with districts and borough councils. The Council supports the aim to 'build back better' with a strong green theme. The Economy Reset Plan was reported to Cabinet in July and has since had input from partners; the feedback was positive and is now being collated.

85.3 The Committee made comments in relation to the Economy Reset Plan including those that follow. It:

- Queried what encouragement the Council will give to small companies who wish to expand and embrace the apprenticeship schemes, what support is being given to young people to take up apprenticeships, and whether work experience schemes can be promoted with businesses and the Council. *The Cabinet Member for Economy and Corporate Resources confirmed the Council continue to promote apprenticeships to schools and colleges in addition to the Government Kick Start programme, and the Council also continue to recruit their own apprentices. £150,000 from the National Apprenticeship Levy was awarded to STEM businesses in the county last year.*
- Queried the impact seen on those employed in the supply chain to Gatwick Airport. Queried what is being done to improve the diversification of the economy to avoid over-reliance on the airport in the future, particularly around the new Green Deal and green economy. *The Cabinet Member for Economy and Corporate Resources confirmed the impact has been substantial and that the Crawley area had the highest proportion of job losses or furloughed staff in West Sussex. The Council are working with organisations including Coast 2 Capital and the Local Enterprise Partnership (LEP) to encourage innovation and diversification across sectors. The Council are also lobbying the Government to support Gatwick's 'five asks' of Government – it is estimated that recovery for Gatwick will take five years.*
- Queried how coastal resorts and tourism can be improved, whether the Council could work with the younger generation on this e.g. the Youth Cabinet and University students, and to what extent the Council support holiday providers in the County. *The Cabinet Member for Economy and Corporate Resources highlighted that water sport opportunities were successfully marketed in 2019 via the Experience West Sussex project, in addition to the 'Rediscover West Sussex' campaign more recently in partnership with district and borough councils to encourage domestic tourism.*
- Queried how the Council is engaging with the rural economy and whether the Experience West Sussex campaign could be given a higher profile to promote West Sussex as a 'foodie' destination. Noted that West Sussex has a number of vineyards and Michelin starred restaurants, and promoting these would lead to a higher spend from visitors. *The Cabinet Member for Economy and Corporate Resources noted the comments and encourages promoting the county as a 'foodie' destination.*
- Commented that the Council needs to take advantage of the progress being made in terms of digital technology as a result of COVID-19 but must also ensure that groups, specifically the older

generation, are not isolated or alienated by this. *The Cabinet Member for Economy and Corporate Resources is aware of this as many face a major disadvantage if not digitally-able. The Gigabit funding granted by the Department of Culture, Media and Sport has been valuable for boosting online access in West Sussex, however exclusion from internet access can also be due to geographic restrictions and the Council are working hard toward fuller coverage for superfast broadband.*

- Expressed concern that the job retention scheme due to end shortly may lead to more redundancies, particularly in the Gatwick Diamond area. *The Cabinet Member for Economy and Corporate Resources confirmed engagement with central Government on quarantine arrangements and the aviation sector have been responsive, and lobbying continues via the All-Party Parliamentary Group.*
- Noted the increase in residents working from home is an opportunity to promote supporting and shopping with local businesses, and also brings environmental benefits from reduced commuting.
- Queried how investment in our region is being promoted to attract incoming investment. *The Cabinet Member for Economy and Corporate Resources noted business and visitor attractions plus leisure opportunities helps to promote West Sussex as a good place to live and work, as well as improved digital infrastructure and hard connectivity such as the improvements to the Brighton mainline and Croydon bottleneck.*
- Queried in relation to partner briefing and engagement (Appendix B), how key partners and stakeholders have responded. *The Cabinet Member for Economy and Corporate Resources confirmed positive feedback from the LEP and district and borough councils. Feedback is being collated with responses including support for additional focus is required in coastal areas and around Gatwick, and for high streets. The Council could consider lobbying on sensible digital taxation to create a levelling of the difference between digital platforms and the high street.*
- Expressed concern that better skills and learning are needed to drive up earnings in West Sussex and attract foreign investment. *The Cabinet Member for Economy and Corporate Resources confirmed the education sector is represented on the LEP and agreed that many ways to diversify are beneficial.*
- Commented that many local businesses are just about surviving, with limited capacity for attending seminars, and queried whether the Council would consider funding signposting information and qualified business experts to help produce business plans so businesses can apply for funding. *The Cabinet Member for Economy and Corporate Resources noted the suggestion and highlighted that business support links are available on the Council's COVID webpages. The Economic Growth Manager explained the Council do not play a direct role in business support but the Government funds Growth Champions via Coast 2 Capital and the LEP which businesses can access.*
- Commented that strategic transport improvements were essential to support the economy in the south of the county, particularly in relation to the A27 in order to improve through routes, congestion,

and air quality. *The Cabinet Member for Economy and Corporate Resources agreed these Highways Agency improvements were a key priority, but cautioned that a pragmatic local consensus is required in order for the schemes to progress and secure funding.*

85.4 The Chairman commented that the Economy Reset Plan is an extremely important strand of the reboot programme, as the local economy has to be rebuilt. Whilst the Plan is a significant amount of work for officers, the delivery of success from the Plan is not something the Council can control and the outcomes will rely heavily on working with partners. The Committee would like more information on timescales for the desired outcomes and how performance is going to be measured.

85.5 Resolved:-

- 1) That the Committee support the promotion of tourism in the county particularly around the coastal towns, high-spend activities such as vineyards and restaurants, and the encouragement of staycations;
- 2) That the Committee support the encouragement of incoming investment to the county through the promotion of West Sussex as an attractive and positive area to live and work;
- 3) That the Committee support and encourage the promotion of high skills and education in the area; and
- 4) That the Committee support the diversification of the economy.

85.6 Following this item the Chairman summarised the substantive items heard by the Committee today, as they support each other as well as the current reset/reboot focus of the Council, and asked for any additional over-arching comments from Members which were made as follows:

- Agreement that both Improvement Plan reports were too high-level and did not provide the detail necessary to be able to comment upon them.
- Agreement that all reports would benefit from a 'programme approach' with milestones for progress, with performance and accountability measures, so that Members can gauge progress and achievements.

86. Forward Plan of Key Decisions

86.1 The Committee considered the Forward Plan of Key Decisions (copy appended to the signed minutes).

86.2 Resolved – That the Forward Plan be noted.

87. Date of Next Meeting

87.1 The Committee notes its next meeting will take place on 3 December 2020, commencing at 10.30am by virtual meeting.

The meeting ended at 3.07 pm

Chairman