

Performance and Finance Scrutiny Committee

13 September 2021 – At a meeting of the Performance and Finance Scrutiny Committee held at 11.00 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr Montyn (Chairman)

Cllr Burrett
Cllr Boram
Cllr Britton
Cllr Condie

Cllr B Cooper
Cllr Elkins
Cllr Hillier
Cllr Lord

Cllr Nagel
Cllr Payne
Cllr Sparkes
Cllr Bence

Apologies were received from Cllr Evans, Cllr Turley, Cllr Wall and Cllr Baxter.

Also in attendance: Cllr Hunt, Cllr Marshall and Cllr Waight.

Part I

11. Declarations of Interest

11.1 In relation to the Performance and Resources Report:

- Cllr Hillier declared a personal interest [economy] as the Cabinet Member for Economic Growth at Mid Sussex District Council.
- Cllr Boram declared a personal interest as the Executive Member for Health and Wellbeing at Adur District Council.
- Cllr B Cooper declared a personal interest [public health savings] as a public health consultant.

12. Committee membership

12.1 The Committee notes its membership and welcomes Cllr Payne as a Member of the Committee and Cllr Bence as a substitute Member.

13. Minutes of the last meeting of the Committee

13.1 Resolved – That the minutes of the meeting held on 5 July 2021 be approved as a correct record and that they be signed by the Chairman.

14. Quarter 1 Performance and Resources Report (PRR) as at the end of June 2021

14.1 The Committee considered the Quarter 1 Performance and Resources Report (PRR) from the Director of Finance and Support Services summarising the positions of finance, performance, risk, workforce, and capital programme as at the end of June 2021 (copy appended to the signed minutes).

14.2 The Chief Executive introduced the report, supported by the Leader, Cabinet Member for Finance and Property, the Cabinet Member for Economy and Support Services, the Director of Finance and Support Services, and the Interim Director of HR and Organisational Development. They highlighted the financial position of the Council, the Government's

comprehensive spending review which is expected to provide a three year funding deal from April 2022, and the effects of inflation for building materials on the Capital Programme. Uncertainty of cost remains in a number of services as a result of the effects of Covid and Brexit; any deficit from Council Tax and Business Rate receipts will be smoothed by the budget fund reserve and estimates will be refreshed in the Medium-Term Financial Strategy 2022/23 report.

14.3 The Committee made comments in relation to the PRR including those that follow. It:

- Welcomed the new format PRR which is readable and navigable. Suggested some improvements to the report to aid understanding as noted below. The Cabinet Members present and Chief Executive undertook to consider the suggested improvements:
 - a. The Performance Summary [Graph 1] is hard to interpret and relate against measures in the portfolios, adding a commentary would help or an improved table with a column to say which corporate priority it represents.
 - b. The black arrows on the Our Council Performance Measures table don't show the direction of performance as clearly as the previous version.
 - c. That progress with the council's climate change objectives be drawn out more clearly throughout the report, including actions taken to save carbon and encourage sustainability.
 - d. Requested that comparator/contextual information in relation to the workforce statistics is included so the Committee can gauge staff performance.
 - e. That the impacts on red-rated capital programme projects and their financing be made clearer.
 - a. On the RIDDOR reporting in the workforce report to add a column giving the previous year's total reported incidents to aid comparison.
- Suggested a briefing be provided with further information on how the delayed funding settlement for Adult Social Care will impact on the Council's finances. The Leader will ensure a full briefing is provided to all Members.
- Raised particular concerns around the issues highlighted in the 'Keeping people safe from vulnerable situations' corporate priority and requested that the relevant scrutiny committees review the specific performance issues in that area.
- Asked the Committee's Business Planning Group (BPG) to consider scrutiny of how effectively planned savings are delivered and how future change is managed and monitored within the council.
- Noted the excellent performance on KPI 52 [partnership working] and KPI 16 [social value]. Welcomed including a new KPI 45 on Member training and development needs.
- Regarding KPI 15 [enterprises supported to start, revive, innovate and grow] requested information on the level or quality of support that has been provided and counts towards this measure.
- Commented that a satisfaction survey for residents of West Sussex should be considered.
- In relation to the red-rated capital programme projects, queried whether an impact assessment of delayed costs has been undertaken and what impact is expected on the programme.

- Commented on the corporate risk in relation to the workforce, whether staff will work more flexibly in future, and how stress as a risk of the proposals will be managed. Noted the increase to total employee headcount from in-sourcing of services and increased agency usage to ensure services are provided during the pandemic.
- In relation to the risk register, suggested the risk posed by change in the UK workforce impacting on the council's services be considered.
- Raised strong objection to new KPIs 31 and 32 [Healthy life expectancy for men and for women] commenting that there should not be a different target for healthy life expectancy dependent upon the sex of residents, and that one KPI for all residents would be more appropriate.

14.4 Resolved:

- 1) That the Committee welcomes the new format PRR and suggests improvements (as noted above) for Cabinet Members and officers to take on board regarding the presentation, especially in relation to the clarity and commentary for the performance summary and capital programme;
- 2) That the Committee highlights concerns around the 'keeping people safe from vulnerable situations' priority in the Our Council Plan;
- 3) That the Committee's Business Planning Group gives consideration to whether future scrutiny is required on how savings targets and change programmes are delivered;
- 4) That the Committee raises whether a corporate risk should be added to the register regarding how staff will work in the future and how stress as a risk of the proposals will be managed; and
- 5) That the Committee raises the need to include comparators or context in relation to workforce statistics rather than just the bare numbers.

15. Update on progress in the Joint Venture Partnership for the County Council in Property Development

15.1 The Committee considered the report from the Director of Property and Assets outlining the progress made in establishing the Joint Venture (JV) Partnership (copy appended to the signed minutes).

15.2 The Cabinet Member for Finance and Property introduced the report supported by the Director of Property and Assets. They highlighted the progress made in setting up the JV for property development and appointing the wholly owned company Edes Estates Limited (the WOC). Planning applications for development should begin towards the end of 2021. They recognised the input of the Technical Project Manager (Place Services), and offered thanks for his excellence and dedication in leading this work over the last 18 months.

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

- Queried the importance of the lending of additional funding to the JV being at prevailing commercial market rates. It was confirmed that the JV can source funding from any lender, and that if the Council wishes to lend to the JV it must be at competitive market rates for legal reasons.
- Asked who the guarantees are taken out with for any future insolvency of the contractor. It was confirmed that the parent company guarantee is from the Morgan Sindall Group PLC as stipulated in the tender, and development in phases further mitigates risk to the JV.
- Enquired whether external legal advice was taken on the JV. It was confirmed that advice had been sought from Sharpe Pritchard legal services as well as Pinsent Mason and Browne Jacobsen.
- Asked whether there are any tax implications to developing land under the JV arrangements as compared to selling the land for development. It was confirmed that there are tax implications and a tax expert will be engaged to advise the JV.

15.4 Resolved – That the Scrutiny Committee has been involved throughout the establishment of the JV and that it is satisfied with the governance setup and progress made in setting up the JV partnership to date.

16. Work Programme Planning and possible items for future scrutiny

16.1 The Committee considered the forward work programme and the extract of the Forward Plan of Key Decisions (copies appended to the signed minutes).

16.2 Items for the Business Planning Group to consider incorporating into the Committee's work programme were identified, including:

- An item on how savings are delivered, how change is managed, and how savings and change will be monitored in future.
- It was highlighted that the Government's proposed Integrated Care System (ICS) is due to be implemented in 6 months' time; it has potential benefits, however the Council will be a 50% partner to the costs alongside the NHS. Members were encouraged to follow the scrutiny of the ICS which will be considered by the Health and Adult Social Care Scrutiny Committee.

16.3 Resolved – That the Committee's Business Planning Group consider the items as noted in 16.2 for inclusion into the 2021/22 work programme.

17. Date of Next Meeting

17.1 The Committee notes its next meeting will take place on 1 November 2021, commencing at 10.30am.

The meeting ended at 1.25 pm.

Chairman