Performance and Finance Scrutiny Committee

11 March 2022 – At a meeting of the Performance and Finance Scrutiny Committee held at 10.30 am at County Hall, Chichester, PO19 1RQ.

Present: Cllr Montyn (Chairman)

Cllr Burrett   Cllr Hillier   Cllr Turley
Cllr Boram   Cllr Kerry-Bedell   Cllr Wall
Cllr Britton   Cllr Lord   Cllr Walsh
Cllr Elkins   Cllr Payne
Cllr Evans   Cllr Sparkes

Apologies were received from Cllr Condie and Cllr B Cooper

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

37. Declarations of Interest

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

- Cllr Hillier in respect of item 5 (End of December 2021 (Qtr 3) Quarterly Performance and Resources Report) as Cabinet Member for Economic Growth at Mid Sussex District Council
- Cllr Lord in respect of item 6 (Economy Plan Update) as the spouse of someone who works in the travel and tourism sector and has some small business interest in West Sussex
- Cllr Waight in respect of item 6 (Economy Plan Update) as a member of Worthing Borough Council
- Cllr Burrett in respect of item 6 (Economy Plan Update) as a member of Crawley Borough Council and as Chair of South East Employers

38. Minutes of the last meeting of the Committee

38.1 Resolved – That the Minutes of the meeting held on 31 January 2022 be approved as a correct record and that they be signed by the Chairman.

39. Response to Recommendations

39.1 Resolved – that the Committee notes the response to recommendations made at its 31 January 2022 meeting.

40. End of December 2021 (Qtr 3) Quarterly Performance and Resources Report

40.1 The Committee scrutinised the Quarter 3 Performance and Resources Report by the Chief Executive and Director of Finance and Support Services (copy appended to the signed minutes).

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

- There was a query as to why paid employment for adults with learning disabilities was below target – **ACTION**: The Chief Executive to provide a response
- The future use of buildings that had housed children & family centres was complicated as many were leased (not owned) by the Council. Local community groups and Members have been contacted to gather information on how the buildings could be utilised and to determine if any want to take over the premises and leases, most were not in a position to do so. More detail on this would be provided in the Asset Strategy item at the June meeting
- Confirmed that education key stage 2 results will be available after the annual examinations and that work is on-going to improve outcomes. This performance area would be looked at by the Children & Young People's Services Scrutiny Committee
- The war in Ukraine was not currently having much impact on the Council's supply lines, but the situation would be monitored to understand the risks and impact on the market.
- The Council would work with the Government and continue to support Ukrainian refugees coming to West Sussex
- The Council is working with Southern Water, the Environment Agency and district/borough councils over the issues around water neutrality in various parts of the county
- Savings from staff working from home came from several budget areas so can't be used to offset the cost of the Worthing hub project – **ACTION**: The Deputy Finance Officer to provide details of how the Worthing hub project is funded
- A Member asked if there were any concerns over the predictions in relation to the New Homes Bonus Grant going forward over the next couple of years - **ACTION**: The Chief Executive to provide a response
- Most of the Council's larger contracts had inflationary clauses built into them so can adapt and adjust to monitor and manage inflation changes
- Implementation of Smartcore (the replacement of the existing SAP system with Oracle Fusion) was delayed from September 2022 to allow more time for data transfer testing. The system would now be available early next year. Savings would show in future years.
- The SAP system has 27 systems linked into it, Oracle Fusion will have 40. There is a lot of user engagement taking place to ensure the systems integrate with each other. Also carrying out some joint learning with East Sussex County Council who are also reviewing their systems - **ACTION**: The Chief Executive to provide more detail on how Oracle Fusion will integrate with all the systems and the efficiencies it will deliver
- The Council is working with other authorities re smarter working to ensure best practice is achieved. Smarter working should lead to greater collaboration, partnership working and greater flexibility. There will be minimum requirements introduced in relation to office working

- It is important that new starters and people in new jobs spent some time in the office to learn from other Team members.
- It is difficult to include inflation as a standard rate in the Capital Programme as all projects are considered separately on a case-by-case basis and is included within individual Business Cases
- The main risk to cyber security was from users clicking on links to external sources
- Longer, more complex passwords have been introduced and external emails carried a warning to improve security
- Members were encouraged to take the online cyber security training
- The IT department had regular discussions about cyber security and was very vigilant – **ACTION**: The Chief Executive to check if the Council was part of the South East Government Warning, Advice and Reporting Point
- A saving relating to income generation within procurement has been delayed – **ACTION**: The Deputy Chief Finance Officer and Property to provide the reason for the delay
- Two major projects, Broadbridge Heath and Horsham Enterprise Park, were amber due to problems with water neutrality **ACTION**: The Cabinet Member for Finance and Property to provide an update on progress on these projects
- The Human Resources redesign is due for completion in 2023-24 **ACTION**: The Director of Human Resources and Organisational Development to include an update on this in the People Framework paper coming to the June meeting
- The latest pulse survey had highlighted workloads and future working arrangements as areas of concern for staff
- There had been significant testing re mobile connectivity with district and borough councils across the county which showed strong coverage, but not every house will get gigabit broadband, however, all should get some better high-speed broadband e.g. mobile technology through a government programme
- The Government is currently carrying out open market assessments in terms of what the market will provide in relation to the Gigabyte Project. There will be a challenge to address what the market should deliver and what it will actually deliver. The Council will work with the District and Borough Councils and MPs to address the uncertainties and challenges.
- It is recognised that there are more disclosures of employees' personal characteristics than the SAP system records. This will be rectified when the new Oracle Fusion system is implemented.,
- Work is being done to increase the staff retention rates including looking at pay structures, training and working terms and conditions

40.3   Resolved: - The Committee: -

 i.   Requests that the Asset Strategy report due to come to the committee meeting in June includes information in relation to the closure of Children and Family Centres and the use of those buildings in future
 ii.   Stresses the importance of using buildings for the best use of the community
 iii.   Welcomes officers monitoring the risks and impact on the supply chain of national events

iv.   Requests that the risks and impacts of rising inflation on pay, contracts and therefore service budgets are closely monitored

v.   Reinforces the awareness messages and training in relation to cyber security

vi.   Requests that the People Framework report due to June committee provides some information in relation to the Human Resources re-design

vii.   Supports the digital roll out and emphasised the needs in the rural economy

viii.   Requests more information in future reports around staff disclosure rates (currently reported as a 'red' key performance indicator) and the take-up of induction training

ix.   Supports the Health & Adults Social Care Scrutiny Committee's review of the Shaw contract

41.   Economy Plan Update

41.1   The Committee scrutinised a report by the Executive Director for Place Services (copy appended to the signed minutes).

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

- There is an opportunity to grow tourism in the county - the Council was working with a number of organisations and partners including the government, Visit England, and Tourism South East to achieve this
- The Council was also working with Experience West Sussex on a shared plan to make best use of resources with a clear programme for work over the next two years. The Council is also working with the Gatwick Gateway Partnership on encouraging international visitors to West Sussex
- Work was also taking place across the region with Brighton & Hove City Council, East Sussex County Council and destination partnerships to progress the opportunities of a pan-Sussex approach to the visitor economy
- The Sussex Chamber of Commerce is a national trailblazer pilot for developing a Sussex Local Skills Improvement Plan, and the skills needs of the visitor economy are one of the considerations
- The Business Hothouse programme is led by the University of Chichester and has a number of different work packages led by individual delivery bodies – due to Covid the programme went online, and it has been hard for some smaller businesses to commit to the number of hours required to participate in and complete the programmes. The programme is going to be extended to March 2023 to enable businesses to participate and outputs be achieved
- Micro, small and medium sized enterprises were the ones getting most support from the Council
- Customer parking and loading/unloading restrictions was an issue for some businesses

41.3   Resolved – that the Committee: -

i. Recognises and stresses the importance of working in partnership with district and borough councils and other partner agencies on tourism to promote and market the region as a whole

ii. Asks the Communities, Highways and Environment Scrutiny Committee to look at the impact of parking issues on businesses

iii. Would welcome more information on the successes, effectiveness and benefits of individual tourism and business-related schemes when available

42. Customer Service Centre Function

42.1 The Committee scrutinised a report by the Assistant Director (Communities), copy appended to the signed minutes.

42.2 Summary of Members' comments and questions: -

- Around 34 Customer Service Centre staff are expected to transfer to the new provider to ensure efficiency of operation. An external provider will have the necessary technical expertise to implement the requirements of the function. The cost of bringing this back in house would have been considerably more than the estimated cost of £10.2m of the out-sourced contract
- Council and non-Council staff already work together in some areas, so no problems are envisaged in terms of in-house and out-sourced provision
- The key is to find an organisation that reflects the values of the County Council which may mean that staff could be located anywhere in the UK. The Covid pandemic has changed the way we work in terms of flexibility so there may be a balance between home and office based working practices.
- The proposed contract term is only for three years as lessons have been learnt from long contract arrangements in the past. With technology-based services and contracts it is important to be able to adapt and change quickly to keep up-to-date which is harder with long contracts
- To bring about the necessary culture change there have been workshops across services talking about what needed to be done differently with digital services and how to make it easy for customers to use. This dialogue will mean staff understand and are better able to address the culture change requirements.
- There have also been corporate-wide communications, mainly with those impacted which will continue
- Customers will still be able to make contact by phone
- Staff will be trained to recognise vulnerable customers, deal with a wide range of queries and know who to pass calls to when appropriate
- Current key performance indicators (KPIs) covered the whole service so didn't highlight the differences in performance between areas – the new KPIs would, as well as showing whether the customer got a satisfactory outcome of their call
- Artificial Intelligence and voice recognition would be used as much as possible

42.3   Resolved – that the Committee: -

    i.   Supports a partner organisation/function based within West Sussex
   ii.   Recommends a visit to a new provider when possible
  iii.   Recognises the importance of the organisational culture and stresses the importance of two-way communication and feedback plus training
  iv.   Stresses the importance of how the Council interacts with vulnerable customers to ensure they receive the support needed
   v.   Stresses the need to consider how the links are made between the in-house and out-sourced service
  vi.   Recognises the importance of staff training to ensure wider service needs can be recognised and supported when required
 vii.   Supports the inclusion of monitoring and satisfaction targets within the contract
viii.   Welcomes the work underway to use future technologies

43.   Work Programme Planning and possible items for future scrutiny

43.1   The Committee considered the forward work programme and extracts of the Forward Plan of Key Decisions (copies appended to the signed Minutes).

43.2   Resolved – That the Committee notes the Forward Plan of Key Decisions and Work Programme.

44.   Date of next meeting

44.1   The Committee notes its next meeting will take place on 17 June 2022, commencing at 10.30am.

The meeting ended at 1.26 pm

Chairman