

Performance and Finance Scrutiny Committee

26 September 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 Condie	Cllr McKnight
Cllr Baldwin	Cllr Gibson	Cllr Sparkes
Cllr Boram	Cllr Linehan	Cllr Bence
Cllr Britton	Cllr McDonald	

Apologies were received from Cllr Elkins, Cllr Kerry-Bedell, Cllr Turley and Cllr Wall

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

21. Declarations of Interest

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

- Cllr Bence in respect of item 6, End of June 2022 (Quarter 1) Quarterly Performance and Resources Report – as the proposed alternative route for the A29 goes through his division
- Cllr Boram in respect of item 6, End of June 2022 (Quarter 1) Quarterly Performance and Resources Report – as a member of Adur District Council
- Cllr Sparkes in respect of item 6, End of June 2022 (Quarter 1) Quarterly Performance and Resources Report – as a member of Worthing Borough Council
- Cllr Waight in respect of item 9a, Forward Plan of Key Decisions (Endorsement of design and procurement process: Worthing Public Realm Improvements programme: Railway Approach Scheme)– as a member of Worthing Borough Council

22. Minutes from 17 June 2022

22.1 Resolved – That the minutes of the meeting held on 17 June 2022 be approved as a correct record and that they be signed by the Chairman.

23. Part I minutes from 13 July 2022

23.1 Resolved – That the Part I minutes of the meeting held on 13 July 2022 be approved as a correct record and that they be signed by the Chairman.

24. Responses to Recommendations

24.1 Resolved – That the Committee notes the responses to recommendations made at the 17 June and 13 July 2022 meetings.

25. End of June 2022 (Quarter 1) Quarterly Performance and Resources Report

25.1 The Committee scrutinised a report by the Director of Finance and Support Services (copy appended to the signed minutes).

25.2 Summary of responses to committee members' questions and comments: -

- The increase from £5.5m underspend to more than £7m overspend may get bigger due to a number of challenges and inflationary pressures – the Council will continue to monitor the situation closely, look for ways to provide services in a more efficient manner and use contingency budgets if necessary, in order to keep the pressures under control.
- The Council estimates that the National Joint Council pay offer will cost an extra £4.5m, which has been budgeted for
- The Council has always paid above the minimum wage, but it is important to offer good, competitive packages for staff to encourage recruitment and retention
- Some Covid grants had been carried forward and will cover the lagging impact of Covid – it was assumed that if Covid worsened, more grants would be made available
- The Council is expected to meet inflationary pressures from contingency and reserves. If budget management reserves were to be used, they would have to be replenished, but it is thought this won't be necessary as fuel prices are expected to decrease
- There was a query as to whether the A2300 improvement scheme had led to active/sustainable travel choices –
ACTION: Head of Performance & Intelligence to investigate
- £20m was added to the Capital Programme for High Needs Capital Funding, but a grant for £21.050m has now become available to cover this expenditure. Cabinet will be briefed on possible ways to utilise this capital budget going forwards
- There was a query about the end date of the Crawley Schools Private Finance Initiative contract –
ACTION: Deputy Chief Finance Officer, to investigate
- The Dedicated Schools Grant deficit is likely to have to come out of budget management reserves from 2023/24 but awaiting Government guidance around this
- The Council is aware of the inflationary pressures on the Capital Programme and expects inflation of 24% over the next five years. The Programme is being closely monitored and analysis is taking place to model the inflationary impact across a range of materials. The impact will be built into the budget review of the Capital Programme and could be mitigated by use of contingency reserves or, if necessary, borrowing

- Corporate Risk 11 (skills shortage) is a big challenge for the Council as workforce recruitment and retention problems are being faced across all services. Work is underway to better understand the issues and develop competitive packages.
- Corporate risk 68 is still valid as the Covid-19 pandemic is ongoing, but it may be reviewed and combined with corporate risk 70
- The Human Resources and Organisational Development Directorate's salary benchmarking target has been achieved and the policy was working. More information will be included in the Quarter 2 report
- Significant changes are taking place in Adult Social Care to build flexible capacity around assessments and budgets
- The Council would welcome a countywide rollout of the food waste collection trial in Arun, but this was unlikely until the Government announces funding for it
- The figure of £655,996 for Waste – New Service Model (Recycling Credits) was not in the previous performance and resources report – **ACTION:** Cabinet Member for Finance and Property to investigate
- The joint initiative with district and borough councils to support small businesses with their carbon journey was part of the Council's economic strategy – a target to assist 1,760 had been surpassed
- The development of Pond Road in Adur was part of One Public Estate but could not be advanced as the NHS was unable to provide its share of the capital required
- In the Worthing Public Realm Improvements programme, the Portland Road scheme had been delivered and well received, design work was being carried out on the Station Road scheme and the first part of the Montague Place scheme was complete, but a complicated Traffic Road Order was required to complete the final part
- The Pulse Survey had a 53% response rate providing a good temperature check of the organisation
- A Key Performance Indicator (KPI) for vacancy levels was not thought to be a good idea in case it encouraged taking on people just to meet a target – more useful would be looking at the number of vacancies and the time they took to fill
- The data around staff sickness was unclear – **ACTION:** Director of Human Resources and Organisational Development to investigate
- The options being considered to mitigate cost pressures on the A29 scheme in the Capital Programme to be raised at the next meeting of the Communities, Highways and Environment Scrutiny Committee
- Concerns over obtaining a balanced budget for Adults' Services by realising savings should be raised at the next meeting of the Health & Adult Social Care Scrutiny Committee

25.3 Resolved – that the Committee: -

- i. Has concerns over the continuing impact of increasing inflation on the Council's finances, both on revenue and capital

- ii. Has concerns over the level of the Dedicated Schools Grant and any on-going implications on the Council's finances
- iii. Recognises the pressures in Adult Services to balance the budget and the reliance on meeting savings targets
- iv. Recognises the continuing impact and relevance of the Covid-19 pandemic
- v. Requests more information in the Quarter 2 Performance and Resources Report on Corporate Risk 11 in terms of controls and actions
- vi. Recognises the need to refresh the Pulse Survey
- vii. Has concerns over the recruitment and retention situation reported through the risk register (Corporate Risk 11) and supported the need for the Committee to keep a watchful eye on this
- viii. Requests that consideration be given to inclusion of a Key Performance Indicator on vacancy rates

26. Workforce and organisational culture - update

26.1 The Committee scrutinised a report by the Director of Human Resources and Organisational Development (copy appended to the signed minutes).

26.2 Summary of responses to committee members' questions and comments: -

- To improve equality and diversity, the Council needs to better understand the experience of staff with protected characteristics and make reasonable adjustments to working arrangements where necessary
- The Fire & Rescue Service is trying to attract people from various backgrounds by highlighting different aspects of the role e.g. the leadership and managerial aspects of the role over the purely physical requirements
- The Key Performance Indicators used by the Council were its own, but were similar to those used by other local authorities
- The Council is starting to promote careers in local government by going to schools/colleges and run its own careers fairs. Also need to promote careers with the long term unemployed.
- Weekly recruitment meetings are held to review vacancies in Children's Services due to pressures in that area
- Apart from surveys, staff feedback comes from managers, weekly meetings with UNISON and exit interviews
- Planned reduction in office space was based on team feedback through the Smarter Working Project
- It was expected that more people might work from offices during the cold months
- The Council will be cautious about reducing the available accommodation until the situation settles in case more people decide to work from offices
- Most staff are comfortable with webinars to gather views and feedback though face to face events also take place
- Managers are asked to talk to staff regularly about smarter working arrangements

- It was normal practice that existing staff can take up apprenticeships within the Council. Development opportunities like this also helps with staff retention
- The unregistered workforce is people who don't necessarily need a specific qualification to undertake their roles
- Human Resources and Organisational Development is on target to meet £100k savings this year – next year's savings are on hold
- Looking at why people join the Council could be investigated to better understand what attracts people to work for the Council. This could help to develop recruitment and retention strategies
- It is unknown how many people leave and rejoin the Council, but some take early retirement and come back part time
- Staff coming back to the Council from CAPITA will have a clear induction programme and be asked to complete a pulse survey after three months
- The Branch Secretary of UNISON attended the meeting and reported that UNISON feels: -
 - The pulse survey is essential and that some questions should be kept for historical comparison
 - Work around recruitment and retention is essential, especially in social work (where there have been some good initiatives) and schools
 - Human Resources carries a lot of risk for the Council and needs investment as much as any other directorate
 - UNISON will work with Human Resources on integrating CAPITA staff back into the Council

26.3 Resolved – that the Committee: -

- i. Recognises the need to understand the workforce with more clarity in terms of protected characteristics
- ii. Asks that consideration be given to developing the relationships with schools, and other groups, in terms of career fairs or other means to attract people into local government and public services
- iii. Supports strengthening the process around exit interviews and further staff engagement to gather and understand better workforce issues and concerns
- iv. Asks that consideration be given to gaining an understanding of why people join the organisation

27. SMARTCORE programme completion and funding

27.1 The Committee scrutinised a report by the Director of Finance and Support Services and the Director of Human Resources and Organisational Development (copy appended to the signed minutes).

27.2 Summary of responses to committee members' questions and comments: -

- The project is on course to meet the new delivery date of April 2023

- Updates to the system are planned in November 2022 and February 2023 – testing of these has been factored into the programme
- The Council has bought support from its delivery partner, DXC, to help with any issues that arise around hypercare after go-live and will train its own staff to deal with these in the future
- Checkpoints have now been built into the programme so that if the Council is not happy with the quality of data the programme can be suspended until issues are resolved
- The length of the delay due to Covid was unknown, so the team working on the project was not stood down as this may have meant not being able to continue the project – it would have cost more to relaunch the project than the extra costs incurred due to keeping the team in post
- Since January 2022, the Council has been nailing down the scope of the project via change control notices to avoid drift and meet delivery requirements
- The contingency of £1.25m is a realistic amount and costs will be monitored closely as the project progresses
- When the Council uses its own staff on projects this is generally not included in costs as they are already being paid

27.3 Resolved – that the Committee: -

- i. Supports training in-house staff to take forwards the system after implementation to reduce reliance on external experts
- ii. Has concerns about the programme delay and change to project scope and stressed the importance of learning lessons around this for future projects
- iii. Asks that consideration be given to whether the internal governance process should be reviewed to be more timely and pro-active with fast moving projects of this nature

28. Forward Plan of Key Decisions

28.1 The Committee considered the Forward Plan of Key Decisions (copy appended to the signed minutes) and learned that in regard to the decision, 'Endorsement of design and procurement process: Worthing Public Realm Improvements Programme: Railway Approach Scheme', the Cabinet Member for Support Services and Economic Development has been asked by Worthing Borough Council to suspend the programme whilst it is looked at in more detail – the decision will therefore come out of the Forward Plan for a while

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

29. Work Programme

29.1 Resolved – that the Committee notes its Work Programme.

30. Date of next meeting

30.1 The Committee notes that its next meeting will take place on 28 November 2022, commencing at 10.30am.

31. Part II Minutes from 13 July 2022

31.1 Resolved – That the Part II minutes of the meeting held on 13 July 2022 be approved as a correct record and that they be signed by the Chairman.

The meeting ended at 2.20 pm

Chairman