

Performance and Finance Scrutiny Committee

16 June 2023 – 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 Gibson	Cllr Milne
Cllr Baldwin	Cllr Linehan	Cllr Sparkes
Cllr Boram	Cllr Lord, Left 11.59am	Cllr Turley
Cllr Britton	Cllr McDonald	Cllr Payne
Cllr Elkins	Cllr McKnight	

Apologies were received from Cllr Wall

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

1. Election of Chairman

1.1 Cllr Montyn was proposed for the position of Chairman for one year by Cllr Britton. The proposal was seconded by Cllr Baldwin. There were no other nominations.

1.2 Resolved – that Cllr Montyn is duly elected as Chairman of the Committee for a period of one year.

2. Election of Vice Chairman

2.1 Cllr Burrett was proposed for the position of Vice-Chairman for one year by Cllr Sparkes. The proposal was seconded by Cllr Boram. There were no other nominations.

2.2 Resolved – that Cllr Burrett is duly elected as Vice-Chairman of the Committee for a period of one year.

3. Business Planning Group Membership

3.1 Resolved – that the Committee appoints the following members to its Business Planning Group: Cllr Montyn (Chairman), Cllr Burrett (Vice Chairman), Cllr Sparkes, Cllr Lord and Cllr Turley.

4. Declarations of Interest

4.1 In accordance with the code of conduct, the following personal interest was declared:

4.2 Cllr Boram declared a personal interest as a member of Adur District Council.

4.3 Cllr Turley declared a personal interest as a member of Worthing Borough Council.

5. Part I minutes of the last meeting of the Committee

5.1 Resolved – That the Part I Minutes of the meeting held on 10 March 2023 be approved as a correct record and that they be signed by the Chairman.

6. Part II Minutes of the last meeting of the Committee

6.1 Resolved – That the Part II Minutes of the meeting held on 10 March 2023 be approved as a correct record and that they be signed by the Chairman.

7. Urgent Matters

7.1 No urgent matters were raised.

8. Responses to Recommendations

8.1 Resolved – that the Committee notes the responses to recommendations made at its 10 March 2023 meeting.

9. End of March 2023 (Quarter 4) Quarterly Performance and Resources Report

9.1 The Committee considered a report by the Chief Executive and Director of Finance and Support Services (copy appended to the signed minutes).

9.2 Summary of responses to committee members' questions and comments:

9.3 The Committee were advised that funding issues for Adult Social Care was a national issue, that shire counties were less well funded per head of population than urban areas, and that it also likely to cost more to deliver services in a more rural community. Adult and children's social care is a key priority where a significant amount of the County Council's funding is allocated. Funding levels were raised by the Leader at a meeting on government funding with the Secretary of State, through the County Council via the Local Government Association, Association of Directors of Social Services, and many other professional bodies. The first request is to have funding evenly shared across authorities to reflect need.

9.4 A member asked if the results of the 2021 census, which were showing a change of profile of population in the county due to an increase in the number of older residents, were taken into account for funding allocations? The Committee were advised that the Government use a template of needs but that it had not been reviewed for a long time. It was anticipated that the awaited review of funding and Business Rates Retention review would not happen until the next parliament, probably late 2024 at the earliest.

9.5 **Budget underspends**, due to staff vacancies, were being partly used to offset overspends. **Action:** The Committee asked for further information on underspends on staffing costs to be reported in the next Performance and Resources report.

9.6 Members acknowledged that **inflation rates** were still high and were advised that part of the budget process for 2024-25 would be to consider the figure needed for the inflation reserve. Inflation is built into the budgets for Capital Programme schemes so can be contained in most scheme budgets and therefore the overspend has not been as high as expected.

9.7 The Government is reviewing **Local Enterprise Partnerships** as they have signalled that they do not see them running beyond April 2024. The services are expected to move to local authorities at county level, and the County Council is seeking advice on what that might look like and what funding might be available, and awaits the Government's final conclusions.

9.8 A member asked whether the proposed target for the new KPI on percentage of **adults with learning disability living in settled accommodation**, was sufficiently challenging. Should the target be higher to drive performance and it was explained that the target was more about achievability, with a 5% rise equalling about 150 people.

9.9 Members heard that the increase in **Doubtful Debt Provision** (DDP) had mainly been caused by the reduction in the Minimum Income Guarantee used in adult social care assessments leading to a delay in assessments. An action plan was now in place to address the backlog of assessments. Much effort was put into reclaiming older debts. It was planned to review DDP more regularly going forward.

9.10 The underspend on **National Concessionary Fares** was the result of passenger numbers not returning to normal after the pandemic. The matter had been discussed by the Communities, Highways and Environment Scrutiny Committee and would be monitored. Members asked when we would consider that the lower levels were the new normal and were advised that 2023-24 would be the key year for understanding changes in behaviour for this and any longer term impact would be picked up as part of the budget process.

9.11 The Committee noted procurement process delays have caused **slippage in capital expenditure** in the Finance and Property portfolio area. This has largely been due to staff availability to move projects on and closer working between teams is being actioned.

9.12 **Service Transformation Summary - Waste service transformation project Action:** Mrs Eves to respond in writing to explain what the third sentence (para 5, page 173) means and how the figure is reflected in the budget table.

9.13 **Risk – CR11 – Skills Shortages** – The Director of Human Resources and Organisational Development informed the Committee that

a restructure of the Resourcing Team had taken place and additional funding had secured 5 new posts which had been recruited to, so that each service had a dedicated resourcing team.

9.14 It had also been felt appropriate to use **Covid 19 grant** funding to clear the backlog of child protection cases in courts, which had been delayed during the pandemic when courts were closed.

9.15 **Levels of sickness absence in workforce** – The Workforce Information in Appendix 5 showed that Covid 19 was still having an impact on sickness levels in the County Council. The Committee had asked to see a breakdown on why staff were having sick leave, and this had been provided but had been time consuming to collate. The Cabinet Member for Support Services and Economic Development, Cllr Waight, had investigated how to cost out sickness absence and it seemed that local authorities used several different ways including by using salary, calendar days and work patterns, etc. Work in the County Council had led to a total cost per quarter based on occupational sick pay, caveated that this would be based on calendar days opposed to working patterns and further work would be done to see if the data could be improved. No specific trends in types of sickness absence were being identified so far but work was ongoing, and Members were keen to be kept updated on this and in particular the links between stress/anxiety levels and vacancy rates.

9.16 Cllr Waight asked if the Committee wanted to receive the additional workforce data in future and it was agreed that individual scrutiny committees should receive data for their portfolios but that it was still relevant for Performance and Finance Committee to receive the over-arching view.

9.17 The Committee were keen to receive feedback from the **Career and Skills Task and Finish Group** once available, particularly on the promotion of apprenticeship roles within the County Council, especially for young people leaving care.

9.18 Resolved – that the Committee:

1. Recognises that both officers and Cabinet Members are lobbying Government at every opportunity to increase funding for the Council.
2. Recognises that inflation continues to be a pressure for the County Council and there is a need to ensure future budget reflects this adequately.
3. Requests further information in Quarter 1 PRR on staff costs in relation to underspends.
4. Recognises the longer-term implications of the Covid pandemic and welcomes further information on how this impacts the budget in future reports and the budget process for 2024-25.

5. Raises concern around national concessionary fares that will be fed into the Communities, Highways and Environment scrutiny Committee meetings in future.
6. Raises concern around the level of Doubtful Debt Provision and welcomes the additional information provided so that the Committee can monitor going forwards.
7. Looks forward to receiving the outcomes of the Careers and Skills Task and Finish Group in September.
8. Welcomes the additional information to be provided on sickness costs in future reports.
9. Recognises the trend and links between stress/anxiety levels and vacancy rates and welcomes further information on this in future.

10. Scrutiny Annual Report 2022/23

10.1 The Committee considered a report by the Director of Law and Assurance (copy appended to the signed minutes).

10.2 Summary of responses to committee members' questions and comments:

10.3 Members acknowledged the large amount of work that had been covered by the scrutiny committees over the last year. The inter-relationship between the Regulation, Audit and Accounts Committee and the scrutiny committees should be explored going forwards.

10.4 It was felt the paragraph on the liaison with Surrey County Council needed fleshing out more and a reference to hosting the Surrey Councillors in return should be added. A meeting of officers, after the return visits has taken place, was planned to discuss findings and lessons learned. This would be reported in the 2023-24 annual scrutiny report.

10.5 Members agreed the scrutiny protocol was working well, informal briefings were helpful and well attended and that the annual scrutiny report, with the amendments in para 10.4, should be presented to County Council in July for discussion.

10.6 Resolved – that the Committee:

1. Recognises the importance of informal briefings to support the work of scrutiny.
2. Considers the links between Performance and Finance Scrutiny Committee and Regulation, Audit and Accounts Committee should be explored.
3. Welcomes and supports the Executive Scrutiny Protocol.

4. Supports the report being presented to County Council in July 2023.

5. Welcomes the visits to Surrey County Council and looks forward to the return visits and reflections on lessons learnt.

11. Requests for Call-in

11.1 There had been no request for call-in to the Scrutiny Committee within its constitutional remit since the date of the last meeting.

12. Work Programme Planning and possible items for future scrutiny

12.1 Resolved – that the Committee notes the Work Programme.

13. Date of next meeting

13.1 The next meeting of the Committee will be held on 7 September 2023 at 10.30 am at County Hall, Chichester.

The meeting ended at 1.25 pm

Chairman