

Performance and Finance Scrutiny Committee

8 March 2024 – 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)

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| Cllr Burrett | Cllr Gibson | Cllr Turley |
| Cllr Baldwin | Cllr Lord | Cllr Wall |
| Cllr Boram | Cllr McDonald | Cllr Payne, joined at |
| Cllr Britton | Cllr McKnight | 11.47 am |
| Cllr Elkins | Cllr Milne | |

Apologies were received from Cllr Linehan and Cllr Sparkes

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

38. Declarations of Interest

38.1 In accordance with the Code of Conduct, the following personal interests were declared: -

- Cllr Gibson in respect of Item 5, Additional budget allocation for delivery of the new Secondary School at Brookleigh, Burgess Hill as a member of Mid Sussex District Council
- Cllr Milne in respect of Item 6, Performance and Resources Report - Quarter 3 2023/24 – as Cabinet Member for Planning and Infrastructure at Horsham District Council

39. Minutes of the last meeting of the Committee

39.1 Resolved – That the minutes of the meeting held on 24 January 2024 be approved as a correct record and that they be signed by the Chairman.

40. Responses to Recommendations

40.1 The Committee considered the responses to recommendations made at previous meetings and: -

- Was assured that every opportunity was taken to lobby the government over the Dedicated Schools Grant situation
- Was concerned that some responses, although completed, needed to stay on the Committee's radar

40.2 Resolved – That the Committee notes the responses.

41. Additional budget allocation for delivery of the new Secondary School at Brookleigh, Burgess Hill

41.1 The Committee considered a report by the Director for Children, Young People and Learning and Director of Place Services (copy appended to the signed minutes).

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

- It was too early to say what extra facilities and staff would be needed at Burgess Hill Academy to temporarily accommodate an additional 120 pupils from September 2026 until the new school opens in May 2027
- The University of Brighton Academy Trust runs Burgess Hill Academy and will run the new secondary school when it opens. The Trust will decide on the number of temporary staff needed and the staff who will transfer to the new school when it opens
- Based on current pupil population forecasts a six form entry school is considered large enough to accommodate pupil requirements
- A separate decision regarding the temporary accommodation at Burgess Hill Academy will be taken and should be presented to the Children & Young People's Services Scrutiny Committee at the appropriate time
- There are a number of building challenges on the new school site; woodlands on two sides of the site, a number of trees that cannot be felled and a height difference of nine metres from one end of the site to the other (meaning stairs and lifts will need to be installed and 2,500 lorry loads of topsoil will need to be brought in for levelling as the clay on site is not suitable)
- The Council has received £12.2m in Section 106 money with a further £6m due on completion of the development – it was possible the Council could request more funding due to the abnormalities of the site but this, if granted, will be received in retrospect of build completion
- The Council was always aware of the topography of the site and this has been built into the specifications, but when the development initially went to tender the successful contractor said it could deliver the project within budget – a rise in construction costs means this is now not possible
- A mid-point contingency budget was set based on the mid-point of tenders, this was thought to be the most sensible approach. The contingency budget is in place to cover unforeseen costs and will be carefully managed through the life of the development, it is not for extra facilities
- The requirement for a Special Support Centre (SSC) was a late inclusion to the original project specification that was to be covered by the contingency budget, the Centre is now included in the overall cost and will be built as planned
- The new school will achieve Passivhaus Accreditation
- If the extra funding is agreed for this project, it will take priority over other projects in the Capital Programme. A review of Basic Needs projects will be completed to ensure all projects required are completed

- It won't be known until the new tender process ends in the summer whether the extra funds identified for the project will be sufficient or whether the project will be delivered on time
- The new tender will be a single stage process for a fixed price based on the same specification as the original tender
- The fixed price will include costs that the main contractor pays to sub-contractors for work
- The Council will have an in-house team to oversee the project
- Due process has been followed for this development but lessons need to be learnt for future projects particularly in relation to feasibility studies and the delays experienced at Woodlands Meed

41.3 Resolved – that the Committee: -

- Recognises that the new school is needed and therefore supports the decision
- Requests further information with regard to the need for temporary facilities at Burgess Hill Academy when available and recommends that the facilities required are scrutinised by the Children & Young People's Services Scrutiny Committee when appropriate
- Has concerns over the adequacy of the contingency budget allocated to the development and whether the current budget will be sufficient and that careful budget monitoring will be needed, possibly through information contained on the Capital Programme sections in the quarterly Performance & Resources Report
- Recognises the challenges of the site and how this is being managed and the ability to negotiate additional Section 106 money from the developer
- Recognises that the Special Support Centre is now included in the programme specification and will go ahead as planned
- Recognises that Basic Need requirements have to be met and that the Capital Programme will be reviewed and managed in order for this to happen
- Recognises that due process and procedure has been followed, but lessons need to be learnt for future large developments, particularly in relation to feasibility studies
- Seeks assurance that lessons learnt from previous developments (e.g. Woodlands Meed) are taken into account when managing this development
- Seeks assurance on the adequacy of resources to manage the scheme and the timeliness of delivering the project

42. Performance and Resources Report - Quarter 3 2023/24

- 42.1 The Committee considered the Quarter 3 Performance and Resources Report (PRR) by the Director of Finance and Support Services summarising the position on finance, performance, risk and workforce as at the end of December 2023 (copy appended to the signed minutes).
- 42.2 Summary of responses to committee members' comments and questions:

- The problem of the sale of illicit vapes is being dealt with systematically
- The Council has used money from grant funding and balances which are now exhausted to cover over-spends and unfulfilled savings in Adults' Services. Work is being undertaken as part of the on-going budget process to ensure that grant funding would not be relied upon in future, including a two-year improvement programme in Adults' Services which would lead to savings being made in a realistic timescale
- The Council works all year round to recover debts and the position will be reported in June's outturn report, including debts which are irrecoverable
- Contracts have specific inflation indices built-in and inflation rates are reviewed at a certain date or at a level set by the Office for Budget Responsibility
- **ACTION** – the Director of Finance and Support Services to provide information on the implications for the overspend in the Children and Young People, Learning and Skill's Portfolio if all staff vacancies were filled
- The Burgess Hill Academy Bulge Class is not affected by the delay to the new secondary school at Brookleigh, Burgess Hill
- The restructure of the Human Resources Resourcing function is on course to be completed by 1 April 2024 and will be monitored through the PRR
- The Broadbridge Heath project remains viable with a tender out now with the aim to seek planning permission in April. Officers expect the majority of spending on the project to take place towards the end of the next financial year.
- The Council always aims for 100% against the KPI on tenders over £500k including the social value criteria (currently at 93%) but the number of tenders each quarter can vary, and numbers are quite small meaning percentages can fluctuate. Officers are confident that 80% is sustainable as there are often around 10 new high value tenders/contracts per quarter. There are some examples where including social value criteria would not be achievable or viable and in such cases we would apply other evaluation criteria for that contract.
- There was a query about the relationship between the amount of office space in use, the decarbonisation of buildings and the Council's aspiration to achieve net zero carbon emissions by 2030
- Objections raised during the electric vehicle charging consultation were mainly due to a misunderstanding that charging parking bays could only be used for electric vehicles
- The budget for the recycling contract was set based on the September rate of inflation in line with budget principles but the final cost, agreed with the contractors, is based on indices published in February. The same principle has been applied for the 2024/25 budget but based on our initial assessment we expect the variation to be more favourable because February 2024 inflation was lower than in September 2023.

- The West Sussex Economic Collaboration Report was produced with the county's district and borough councils around economic opportunities and challenges
- Workshops took place on recruitment and retention, productivity growth, investment in innovation and enhancing natural capital and transitioning to net zero
- This will help the Council develop its 10 year economic strategy with a governance model based on business leaders
- There are a number of equality and diversity groups within different service areas which it is hoped can be rolled out across the whole organisation.
- Training sessions are being arranged for managers around absence management that include information on return to work interviews as these are beneficial to staff
- More stress and wellbeing assessments will be rolled out to address mental health challenges amongst staff
- Work that the Fire & Rescue Service does around physical and musculo-skeletal injuries will be cascaded across the Council
- A review of the current occupational health contract and counselling service that provide psychological support to staff will commence soon
- As a result of employing social workers from overseas there are currently no qualified social worker vacancies in Children's Services
- Human Resources is working on filling the following active vacancies; 188 in Adults' Services, 96 in Children's Services and 114 in other services including hard to recruit to areas like Highways and Planning
- All apprentices work towards accredited qualifications
- Disclosure rates for self-declaration of an employee's disability; sexual orientation; race/ethnicity; religion vary across the council, but there are no significant spikes or dips between service areas

42.3 Resolved – that the Committee

- i. Seeks additional information on the seizure of illegal vapes and tobacco and how this is being managed across the county
- ii. Recognises pressures within the Adults' Services budget and seeks assurance on how a balanced budget will be achieved in future if there are no mitigating funds available from grants
- iii. Seeks reassurance on how inflationary uplifts are included within contracts
- iv. Asks the Director of Finance and Support Services to provide information on what the effect on the Children's Services overspend will be if the service is fully staffed
- v. Welcomes the information contained within the risk register in relation to water neutrality and the actions being taken
- vi. Seeks extra information on Key Performance Indicator 49 - Square metres of operational property that are in use and the effect this has on outcomes of the decarbonisation programme
- vii. Looks forward to receiving information on the economy at the September meeting of the Committee

- viii. Looks forward to receiving an update on the work currently being undertaken on sickness absence and the outcomes/actions identified

43. Work Programme Planning and possible items for future scrutiny

43.1 The Committee considered an extract of the Forward Plan of Key Decisions and Work Programme (copies appended to the signed minutes).

43.2 Resolved – that the Committee: -

- i. Notes the Forward Plan of Key Decisions
- ii. Asks that the Building Maintenance Services contract come to a future meeting of the Committee
- iii. Requests that the distinction between statutory and discretionary services and any change to Gatwick Airport are added to the Work Programme for monitoring by the Business Planning Group

44. Date of next meeting

44.1 The Committee notes its next meeting will take place on 21 June 2024, commencing at 10.30am.

The meeting ended at 12.41 pm

Chairman