

Performance and Finance Scrutiny Committee

13 July 2022 – At a virtual meeting of the Performance and Finance Scrutiny Committee held at 10.30 am Virtual meeting with restricted public access.

Present: Cllr Montyn (Chairman)

Cllr Burrett	Cllr Gibson	Cllr Wall
Cllr Boram	Cllr Linehan	Cllr Payne
Cllr Britton	Cllr McDonald	Cllr Walsh
Cllr Condie	Cllr Sparkes	
Cllr Elkins	Cllr Turley	

Apologies were received from Cllr Baldwin and Cllr Kerry-Bedell

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

Part I

13. Declarations of Interest

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

- Cllr Walsh in respect of item 4, End of March 2022 (Quarter 4/end of year) Quarterly Performance and Resources Report – as a member of Arun District Council
- Cllr Linehan in respect of items 6 and 8, Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore) Appendix – as a friend/business partner of someone who works for Oracle

14. Part II Matters

14.1 The Committee queried why parts of the item could not be held in Part I and was informed that, as advised by the Monitoring Officer, the information contained within the report was commercially sensitive.

15. End of March 2022 (Quarter 4/end of year) Quarterly Performance and Resources Report

15.1 The Committee considered the End of March 2022 (Qtr 2) Quarterly Performance and Resources report by the Chief Executive and Director of Finance and Support Services (copy appended to the signed minutes).

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

- The relationship between the underspend and the relationship to savings through working from home was because the savings number was embedded in the underspend
- The reduced expenditure on Members' travel, expenses, training and refreshments due to remote working has been included in the budget for 2022/23. If any further savings are realised due to remote working, online meetings, utilities costs and how employees work under the smarter working programme, these will be factored into future budgets ACTION – Katharine Eberhart to provide details on reduction in Member spend
- A certain percentage of aged debtors is set aside for doubtful debt provision, which has been adjusted to be more prudent during covid. This will be considered again for 2022/23
- Officers confirmed that the Council was not expecting to receive more covid grants from the government
- Officers explained that the Oracle Fusion sprint phase was the part of the delivery programme when the design was tested to see if it met expectations
- The report reflects the position up to 31 March 2022 so does not include information on changes to the Smartcore contract which arose later
- There was a request that variance information is included in future Performance and Resources Reports to show the inflationary impact on Capital Programme projects
- The figure for square metres of operational property has increased as it includes both the existing Durrington site (Centenary House) and the new one (Bridge House)
- The percentages quoted in Key Performance Indicator (KPI) 52 are cumulative
- Technical accounting adjustments in 'Portfolio In Year Pressures and Mitigations' are additional expenses on the budget, not an adjustment between accounts
- There was a query as to why some Capital Programme items that have slipped are listed in the Finance and Property Capital Programme rather than service portfolios. This is because the person who administers that part of the Capital Programme sits within Finance & Property
- The aggregated cost of the Council's services compared to its statistical neighbours is based on returns made to the government, then specialist bodies compare councils in various categories
- Statistical neighbours are those closest to each other in profile and demographics
- The benchmarking provides useful information to understand where the Council could improve its value for money, but comparisons are difficult as all Councils operate differently. The information generates questions to ask about service provision but does not provide the answers
- The risk (CR68) to deliver existing work plans has stayed the same due to consequences of the ongoing covid pandemic
- A new fire station for Littlehampton is no longer in the One Public Estate programme – this could be because, after a feasibility exercise, not all partners have the money to progress

the project – **ACTION:** The Leader to arrange a briefing on this for all Members local to Littlehampton

- The percentage of digital services available to support self-service had gone down because more services had been added to the KPI
- The way Smartcore is funded has changed as some aspects of service transformation can now be funded by capital receipts rather than revenue funding if they meet certain criteria
- The committee has previously questioned the low employee disclosure rates for protected characteristics. This has been examined to ensure all sections are now recorded and included within the figures. The data from two systems has also been cleansed and combined leading to the improved rates
- Officers confirmed that there were no health and safety risks as a result of the low completion rates for staff induction training. All mandatory safeguarding training is carefully monitored and managed
- There was a question about prioritising care leavers for apprenticeships – **ACTION:** The Cabinet Member for Support Services and Economic Development offered to look into whether care leavers could be prioritised for appropriate apprenticeship opportunities, but was wary of prioritising one group of people above another
- The Council was using additional resources, social media campaigns and 'meet the team' events to recruit children's care home staff
- Scrutiny chairmen updates included: -
 - The Fire & Rescue Service Scrutiny Committee would be scrutinising the delivery of the Community Risk Management Programme
 - The Community, Highways and Environment Scrutiny Committee would be inviting contractors to a meeting to explain the poor performance in repairing highways defects
 - The Children & Young People's Services Scrutiny Committee had asked county councillors that also sat on other councils to help support care leavers in finding employment or further education and asked for more information on the pilot scheme supporting the inclusion of those with education, health and care plans in their local mainstream school
 - The Health & Adult Social Care Scrutiny Committee will monitor the financial challenges ahead in the care market, access to NHS dentists and GPs and the roll-out of the integrated care system and the Health and Wellbeing Strategy and Adult Care Strategy

15.3 Resolved – that the Committee: -

- i. Requests that variance information is included in future Performance and Resources Reports to show the inflationary impact on Capital Programme projects

- ii. Questions the take-up of the staff induction programme and was satisfied that all mandatory staff training was undertaken and no risk issues arisen
- iii. Requests that the Cabinet Member for Support Services and Economic Development looks into whether care leavers could be prioritised for appropriate apprenticeship opportunities
- iv. Supports the work being done in relation to recruitment

16. Treasury Management Annual Report 2021/22

- 16.1 The Committee considered the Treasury Management Annual Report 2021/22 (copy appended to the signed minutes).
- 16.2 Summary of responses to committee members' questions and comments: -
 - All current borrowing was at fixed rates so was not impacted by inflation
 - The percentage of borrowing on the Capital Programme against the revenue budget increased from 3.5% to nearly 6%
 - The Council did not have an overdraft, if it did it would incur costs
- 16.3 Resolved – that the Committee: -
 - i. Recognises the need to monitor inflationary pressures, specifically on the borrowing requirements in relation to the Capital Programme
 - ii. Thanks officers for the very informative and full report and the work undertaken throughout the year

17. Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore) - Focus for Scrutiny

- 17.1 The Committee considered the Part I report, Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore), by the Director of Law and Assurance (copy appended to the signed minutes).
- 17.2 The Committee was told that the scope for the project wasn't wrong from the outset and that more detail would come to its September meeting.
- 17.3 The Committee regretted that it had not seen the advice from the Monitoring Officer regarding restricted information before the meeting.
- 17.4 Resolved – that the Committee agrees that the report, Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore), by the Head of Procurement & Contract Management and Smartcore Programme SRO would be discussed in closed session (Part II).

18. Exclusion of Press and Public

18.1 Resolved – that in respect of the following item the public, including the press, be excluded from the meeting on the grounds of exemption under Part I of Schedule 12A of the Local Government Act 1972, as indicated below, and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information. Exempt: Paragraph 3, financial or business affairs of any person (including the authority).

PART II

19. Variation of Contract with Entserv UK Limited (DXC) for a Corporate Business Management Solution (Smartcore) Appendix

Summary of discussions in Part II – the Committee learned that the urgent action was necessary due to late agreement with DXC on the way forward and that a further report would come to the Committee in September with more details of the variations to the contract.

Resolved – that the Committee: -

- i. Raises concerns around the scope of the contract and why issues were not foreseen
- ii. Recognises the need to learn from the contract issues for future projects
- iii. Refers detailed questions to officers for further clarity and explanation
- iv. Welcomes a further report to the committee in September

PART I

20. Date of next meeting

20.1 The Committee notes its next meeting will take place on 9 September 2022, commencing at 10.30am.

The meeting ended at 1.17 pm

Chairman