

Performance and Finance Scrutiny Committee

7 September 2023 – 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 Gibson	Cllr Turley
Cllr Baldwin	Cllr Lord	Cllr Wall
Cllr Boram	Cllr McDonald	Cllr Bence
Cllr Britton	Cllr McKnight	Cllr Payne
Cllr Elkins	Cllr Milne, Left at 12.05	

Apologies were received from Cllr Linehan, Cllr Sparkes and Cllr Marshall

Also in attendance: Cllr Hunt and Cllr Waight

14. Declarations of Interest

- 14.1 In accordance with the code of conduct, the following personal interest was declared: -
- 14.2 Cllr McKnight declared a personal interest in respect of item 7, Outcomes of the Executive Task and Finish Group - West Sussex County Council Careers and Skills as an employee in the health and social care sector

15. Minutes of the last meeting of the Committee

- 15.1 Resolved – That the Minutes of the meeting held on 16 June 2023 be approved as a correct record and that they be signed by the Chairman.

16. Responses to Recommendations

- 16.1 Resolved – That the Committee notes the responses.

17. End of June 2023 (Quarter 1) Quarterly Performance and Resources Report

- 17.1 The Committee considered the Quarter 1 Performance and Resources Report by the Director of Finance and Support Services summarising the positions of finance, performance, risk, and workforce as at the end of June 2023 (copy appended to the signed minutes).
- 17.2 Summary of responses to Members' questions and comments: -

- The table of savings includes extra income of £6.3m, the non-delivery of savings at 'significant risk or not delivered' (red), but not those 'at risk' (amber), mitigations will be put in place
- The Council monitors savings at 'significant risk or not delivered' (red) to see if they can be delivered differently if not, they are taken out of the budget
- The underspend in Highways & Transport relates to a reduction in projected energy costs for the street lighting Private Finance Initiative contract and a reduced uptake of concessionary fare journeys - there has been an overspend on highways maintenance
- The Council has budgeted for a 4% pay increase for staff and will use contingency funds to cover this if the award is higher
- Grants tend to be allocated after the budget has been set so the Council assumes they will be fully spent on expenditure that it wouldn't otherwise be able to fund
- Some grants come every year but vary in value, so spending plans will be aligned to the value of the grant when known
- There may be new grants that may give opportunities to do new things, or spend on existing services
- If a grant for a service is withdrawn, it is likely that the service would have to be withdrawn
- The quarter 1 position contains indications that inflation is falling slowly, this will be monitored so inflation costs from contracts are known in advance. Planning for next year will include regular checks on assumptions to cover inflation
- Investment income was set in the budget at a lower rate of interest than the Council is now getting – interest rates will be monitored and a realistic assumption of the rate for next year's budget made
- The Council purchases its energy through a consortium that gets the best deal possible
- The additional £6.3m from the Business Rates and Collection Fund is the difference between what the Council thought would be the return and what it actually was from the district/borough councils. **Action:** The Director of Finance and Support Services to get more information from the district/borough councils on the breakdown of the Business Rates and Collection Fund returns
- Capital Programme projects are looked at scheme by scheme with inflation built into the budget for each
- Projects are taken forward when they are needed by services - where grant money is available, the work has to be done within certain timescales
- The Asset Management Strategy shows when maintenance/repair work needs to be done on Council buildings
- A backlog is building up on highways maintenance as this can only be done when the Council receives grants from Government – fewer grants have been received lately so the Council has put money into this area
- Health & Safety issues are prioritised for maintenance
- One West Sussex school is on the Government list of those affected by the use of reinforced autoclaved aerated concrete (raac), one academy has shut as a precaution (academies are responsible for their own maintenance)

- The Government will pay for survey/repairs. Specialist surveyors are required but are hard to get and costly
- Surveys could disturb asbestos that would then need to be removed.
- There was a query as to whether the Council would have to find alternative school placements for children attending an academy if it had to close due to problems with raac
- All Council buildings built or extended during the time raac was in use will be checked
- Human Resources is looking at introducing a dignity/respect policy so staff are aware of what action they can take if abused
- Corporate Risk 61 'a serious incident occurs resulting in the death or serious injury of a child' relates to social care
- The Council is looking at key performance indicator (KPI) targets for 2024/25 and will decide whether the KPI52 target is still appropriate
- The business rates for the old Horsham fire station would have been paid through the Fire & Rescue Service budget, when the premises were vacated the costs for the building became the Council's responsibility - it is a similar situation with Centenary House, Worthing where the length of vacancy has been longer than thought so the Council had not planned for higher costs
- The development of Broadbridge Heath Park has been delayed by water neutrality and will go to tender when planning permission is granted
- The Committee queried the Property Team performance in relation to delivering the schools programme
- In April the One Public Estate partnership submitted two bids to the Brown Field Land Release Fund, the one for Arun was successful the one for Durrington was not
- There was an overspend on additional costs associated with the Children's statutory complaint process as there were more complaints than anticipated
- There was a query as to how many new apprentices are Children Looked After - **Action** The Director of Human Resources & Organisational Development to check
- Stay conversations have been introduced to see what can be done to stop people leaving the Council. A new exit survey has also been introduced asking why people leave - reasons include furthering career opportunities elsewhere and the cost of living
- The agency matrix cost has decreased although the same number of agency staff has been employed - this is because of the type of staff employed e.g. less social workers

17.3 Resolved – that the Committee: -

- i. Recognises the financial challenges ahead and welcomes the assurance that these are continually monitored
- ii. Welcomes the work that has been undertaken to review savings included within the current budget and that this will be monitored and managed through-out the year
- iii. Welcomes the continuing work on property surveys in relation to the national situation with regard to reinforced autoclaved aerated concrete and would welcome any up-dates at the

- appropriate time on the survey results and the resultant risks (specific link to CR61 (A serious incident occurs resulting in death or serious injury of a child where the Council is found to have failed in their duty to safeguard, prevent or protect the child from harm))
- iv. Requests that CR61 is reviewed and if necessary up-dated to include risks around property, not just social care
 - v. Requests an answer in relation to the County Council's responsibilities around school places if an academy has to close
 - vi. Welcomes the review of Key Performance Indicators and any changes to targets to be more appropriate or stretching
 - vii. Requests that officers and Cabinet review how information on the Property Team performance is included in the Performance & Resources Report in future
 - viii. Would welcome information on the work officers are currently undertaking in terms of time lost due to sickness in days and costs at an appropriate time
 - ix. Welcomes the extra workforce information being included in this report
 - x. Requests further key details on health and safety of employees in future reports

18. Update on Council Plan and Medium Term Financial Strategy

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

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

- The statutory override for the Dedicated Schools Grant deficit will remain off the Council's balance sheet until 2025/26 - the impact of inflation and costs of Education, Health and Care Plans (EHCPs)/school transport may increase the overspend
- The general reserve was reviewed last year and increased to 5%. It will be reviewed each year taking into account service pressures to ensure it remains at a sufficient level.
- **Action** – The Director of Finance and Support Services to check the impact of a 1.99% increase in council tax from 2025/26
- Reserve levels will be reviewed and replenished over a five-year period and forms part of the budget setting process
- The Council wants to move towards a longer-term view of the financial position due to the continuing pressures in adults and children's social care which need to be planned for
- The Council uses the September forecast for price inflation as it is when it starts to set the budget and it is often the index used in its contracts. Price inflation will be monitored till December as budget papers then have to be finalised before going to Cabinet in January
- The Council closely monitors the number of children with special educational needs and disabilities and is investing in Special Support Centres and a new special school in Worthing
- The report mentions Value for Money (VFM) in a number of places, the committee would welcome more information on what

this means for the Council as a whole and how it is assessed and monitored.

18.3 Resolved – that the Committee: -

- i. Welcomes the report and in particular the inclusion of extra information in relation to financial resilience and sustainability which it had requested
- ii. Continues to raise concerns over the level of the Dedicated Schools Grant deficit and the resulting impact on the wider budget and welcomes officers continuing to discuss this with Government in terms of the way forward in future
- iii. Welcomes the review of reserve levels as part of the ongoing budget process
- iv. Recognises the on-going service pressures and how these will be taken into account in the longer-term financial planning
- v. Welcomes the longer-term approach to the budget and Member engagement
- vi. Recognises the number of assumptions that need to be used and that these will be monitored and adjusted during the budget process
- vii. The Committee's Business Planning Group to consider a review/look at value for money

19. Outcomes of the Executive Task and Finish Group - West Sussex County Council Careers and Skills

19.1 The Committee considered a report by the Director of HR and Organisational Development (copy appended to the signed minutes).

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

- The recommendations of the Task & Finish Group will be carried out within current resources as far as possible with officers taking on responsibility for key issues such as apprenticeships
- Work was underway with schools and colleges to identify career pathways within the Council – it was suggested that the Council could explore working with colleges outside West Sussex
- It was also suggested that the Council target people wanting career changes including those working in health & social care

19.3 Resolved – that the Committee: -

- i. Welcomes the report and thanks the Task & Finish Group for the work undertaken
- ii. Looks forward to hearing the results of the outcomes through the Performance & Resources Report or when it receives a further update on recruitment and retention (expected in January 2024)
- iii. Suggests the need to look beyond the boundaries of West Sussex in terms of links to schools and colleges
- iv. Requests that officers look at work experience links to schools
- v. Requests that a Human Resources strategic plan is key to success going forward

- vi. Suggests officers look beyond young people and includes those seeking a career change
- vii. Recognises the work being done to look at pay structures generally

20. Work Programme Planning and possible items for future scrutiny

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

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

21. Date of next meeting

21.1 The Committee notes its next meeting will take place on 27 November 2023, commencing at 10.30am.

The meeting ended at 1.29 pm

Chairman