

Performance and Finance Scrutiny Committee

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

Present: Cllr Montyn (Chairman)

Cllr Burrett	Cllr Elkins (left at 11.30)	Cllr Sparkes
Cllr Boram	Cllr Evans	Cllr Turley
Cllr Britton	Cllr Hillier	Cllr Wall
Cllr Condie	Cllr Kerry-Bedell	
Cllr B Cooper	Cllr Lord	

Apologies were received from Cllr Payne

Also in attendance: Cllr Crow, Cllr J Dennis, Cllr Hunt, Cllr A Jupp, Cllr N Jupp, Cllr Lanzer, Cllr Marshall, Cllr Russell, Cllr Urquhart and Cllr Waight

31. Declarations of Interest

31.1 In accordance with the code of conduct, the following personal interests were declared in respect of item 5, Our Council Plan and Budget 2022/23: -

- Cllr Boram as a member of Adur District Council
- Cllr B Cooper as a member of Worthing Borough Council
- Cllr Hillier as Cabinet Member for Economic Growth at Mid Sussex District Council
- Cllr Kerry-Bedell as a contractor for Coast to Capital Local Enterprise Partnership
- Cllr Sparkes as a member of Worthing Borough Council

32. Minutes of the last meeting of the Committee

32.1 Resolved – That the Minutes of the meeting held on 2 December 2021 be approved as a correct record and that they be signed by the Chairman.

33. Responses to Recommendations

33.1 Resolved – That the Committee notes the responses to recommendations made at the 2 December 2021 meeting from the Chairman of the Health & Adult Social Care Scrutiny Committee.

34. Our Council Plan and Budget 2022/23

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

34.2 Summary of responses to committee members questions and comments: -

- There is a contingency amount built into the revenue reserve for funding financial pressures that may arise in adults' or children's social care. The contingency will be transferred into the revenue account when/if it is required through the year.
- The risks/challenges identified have been considered in depth and there is sufficient contingency and reserves to mitigate them
- It is possible, dependent on the terms of the grant and any ring-fencing that may exist, to use the remaining £15.923m Covid-19 fund to mitigate secondary impacts of the pandemic such as inflation
- The business rates pilot reserve consists of a number of digital infrastructure projects with district and borough councils that take time to develop – time limit for spending on the pilot projects is by March 2024
- The Council relies on district/borough council estimates for business rate income. If there is less income received than expected, the budget management reserve would be used to make up the shortfall, the reserve would need to be built up again in next year's budget. The district and borough councils reflect the challenges around business rate collection rates in the estimates provided but recognise that there are a number of uncertainties being faced
- Splitting service expenditure between statutory and discretionary services is difficult as legislation determines what the Council has to do, but not how much or how. The Council's focus is on delivering services for residents as well and as efficiently as possible
- Savings proposals for 2023/24 will be worked on and brought forward for all Member and scrutiny input as soon as possible
- A new government needs assessment will be developed to support the Fair Funding policy to better reflect the demand profile of local authorities– it was expected that the new fair funding settlement would be for three years to enable longer term financial planning
- There are huge demands on adults' social care and the Council has been lobbying government for more funding – recently the Leader, Cabinet Member for Adults' Services and the Executive Director of Adults and Health met with care providers to better understand the pressures they are facing. This was followed by a meeting between care providers and all West Sussex MPs to ensure MPs understood these pressures
- One Public Estate is Government funding provided to enable sites with shared stakeholders to be reviewed and alternative ways of using the site to be found. It is largely to fund feasibility studies for complex sites to enable partners to work together on developing site solutions. Progress can be slow due to difficulty aligning the needs and wants of all the stakeholders involved
- The Chief Executive's budget covered salaries, subscriptions and the work of the Lord Lieutenant
- The reduction in net expenditure in Commercial Services of about £11m was offset by the same increase in Information

Technology – this was a result of insourcing the service from Capita

- The implementation of Oracle to replace the current financial/human resources system was delayed from September 2021 to allow more time for data transfer testing. The system would now be available early next year. Savings would show in future years.
- The Economy Plan contains the detail of how the Council is supporting businesses e.g. working with universities on a programme for start-ups, the Research, Innovation in Sussex Excellence (RISE) project for accelerating small and medium sized businesses through innovation and investment, and promoting green businesses. The committee meeting in March will be reviewing progress in achieving the Economy Plan.
- A portion of what is being added to the Human Resources & Organisational Development budget is due to the planned restructure for this year being postponed until the new director is in place. There was also additional funding needed to cover the increased support to various areas of the Council e.g. restructures and the insourcing of remaining Capita contracts
- The extra money for Unison is to support the work required around in-sourcing and new ways of working
- Transfers of money between portfolios reflect the changes in cabinet member portfolios since last year's budget
- The reduction in pay contingency for the 2021/22 pay award is because £2m was included last year in case the government's recommended zero price increase was rejected by the unions
- The Adults' Strategy would shape services going forward – detailed financial assessments and care packages would be done in good time
- The Council Plan outlines a focus on more provision of care at home, reablement and domiciliary care which would lead to Adult Services efficiency savings
- All local authority sectors were talking to government about the potential impact of new care arrangements from 2023 and are lobbying for sufficient funding
- Budgeting for school transport was difficult as children with special educational needs and disabilities (SEND) needing transport could vary greatly from year to year both in number and location – alternatives such as mileage allowances for parents/carers to take children to school are considered, but not all people would be able to do this due to other commitments
- The Council is working collaboratively to ensure joint commissioning of bespoke mental health services are provided
- There are plans to manage the Dedicated Schools Grant deficit by the SEND Efficiency Programme, however, it should be noted that the number of children with SEND was increasing and providing provision for them would take time
- The level of the Public Health grant was expected to remain stable
- The issue around maintenance of pavements is recognised and will be included in the Capital Programme as plans are developed
- The phasing of expenditure for the Active Travel Fund matched the scheduled funding

- The restriction on Public Works Loan Board borrowing to buy investment properties for yield applies to new investments only – the Council had already invested in two properties for regeneration
- The aggregated unit cost of the Council’s services was dependant on the funds it had to spend on them

34.3 Resolved – that the committee: -

- i. Welcomes the work of both officers and Cabinet in producing a balanced budget for 2022/23 and thanked officers for this
- ii. Supports the direction of travel being set in the budget and felt that the rise in Council Tax was justified
- iii. Notes the financial strength of the Council, but recognised the challenges ahead
- iv. Recognises that there are significant risks identified for the year ahead, but is currently satisfied with the level of reserves and contingencies to identify and deal with any issues that may arise
- v. Recognises the financial pressures to be faced in future years and supported any savings proposals and budget implications being brought to scrutiny committees and Member briefings as early as possible to enable Member input
- vi. Supports the continued lobbying of Government to ensure the needs of residents can continue to be met in future budgets in order to match service demand and supply
- vii. Supports lobbying in terms of longer-term funding settlements in future to enable long-term planning to take place
- viii. Welcomes the opportunity to continually monitor the performance and financial position of the Council on a quarterly basis through review by the scrutiny committees in 2022/23

35. Work Programme Planning and possible items for future scrutiny

35.1 Resolved – that the Committee agreed to add scrutiny of the proposed decision, Procurement: Customer Service Function to its work programme with the intention that it be discussed at the 11 March 2022 meeting.

36. Date of next meeting

36.1 The Committee notes its next meeting will take place on 11 March 2022, commencing at 10.30am.

The meeting ended at 1.17 pm

Chairman