

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

## **Performance and Finance Select Committee**

22 November 2017 – At a meeting of the Select Committee held at 1.00pm at County Hall, Chichester.

Present: Mr Montyn (Chairman)

Mr Barrett-Miles	Mr Elkins	Mr Smytherman
Mr Boram	Mrs Kitchen	Mr Turner
Mr Crow	Mr Lea	Mr Waight
Mrs Dennis	Mrs Mullins	Dr Walsh

In attendance by invitation: Ms Goldsmith\* (Leader) and Mr Hunt\*\* (Cabinet Member for Finance and Resources), Mr Hillier (Cabinet Member for Children and Young People), Mrs Jupp (Cabinet Member for Adults and Health) and Ms Kennard (Cabinet Member for Stronger, Safer Communities).

Apologies for absence were received from Mr Bradbury and Mr Cloake.

\* Ms Goldsmith arrived at 1.03 and left at 3.40

\*\* Mr Hunt left at 3.40

### **Declarations of Interest**

81. Mr Waight declared a personal interest in relation to waste services in the Budget Savings as a member of Worthing Borough Council.

82. Mr Smytherman declared a personal interest in relation to waste services in the Budget Savings as a member of Worthing Borough Council, and to the Select Committees Work Programme (mental health) as a Trustee of Coastal West Sussex MIND.

83. Mr Turner declared a personal interest in relation to waste services in the Budget Savings as a member of Worthing Borough Council.

84. Dr Walsh declared a personal interest in relation to waste services in the Budget Savings as a member of Arun District Council.

85. Mr Boram declared a personal interest in relation to waste services in the Budget Savings as a member of Adur District Council.

86. Mr Lea declared a personal interest in relation to waste services in the Budget Savings as a member of Mid Sussex District Council. Mr Lea further declared a personal interest in relation to the Local Enterprise Partnership (capital programme) in the Budget Savings as an occasional visiting lecturer at Brighton University.

87. Mr Barrett-Miles declared personal interests in relation to the Budget Savings; to waste services as a member of Mid Sussex District Council, and to Local Assistance Network funding as the Chairman of the charity Childhelp Hassocks.

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

### **Minutes of the Previous Meeting**

88. Mr Turner queried minute 46. Members agreed an alteration to read: *The Leader noted this request and explained the measure is currently set to reflect the level of seriousness by which the Council regards community cohesion, however the measure could be amended in the future.*

89. Mr Lea queried minute 37 and noted his personal declaration had been omitted. An alteration was agreed as follows: *Mr Lea declared a personal interest in relation to the West Sussex Plan as an occasional visiting lecturer at Brighton University, as universities were raised, and as a member of Mid Sussex District Council.*

90. Resolved – That the minutes of the Performance and Finance Select Committee held on 12 October 2017 be approved as a correct record, subject to the changes agreed at points 88 and 89 above, and that they be signed by the Chairman.

### **Appointment to Committee's Business Planning Group**

91. The Committee noted Dr Walsh's appointment to the Business Planning Group (BPG).

### **Update on the Medium Term Financial Strategy (MTFS) 2018/19 to 2021/22 and Budget Savings and Draft Capital Programme 2018/19 to 2022/23**

92. The Committee considered a report by the Director of Finance, Performance and Procurement, (copy appended to the signed minutes).

93. The Cabinet Member for Finance and Resources and the Director of Finance, Performance and Procurement introduced the report which provides an update to the MTFS and the draft proposals contributing to how the budget gap will be bridged for 2018/19 and 2019/20.

94. The Chairman welcomed Mr David Sheldon, Chief Executive of Horsham Matters, who attended as an external witness to give evidence in relation to saving number 5, Local Assistance Network (LAN), on behalf of all charities in West Sussex in receipt of LAN funding. Mr Sheldon provided a briefing paper for the Committee (copy appended to signed minutes) and spoke in relation to the following points:

- The LAN works to prevent or mitigate crisis points for individuals and families. The proposed reduction in funding will mean the services offered by LAN groups and the numbers of people assisted will have to be reduced.
- A reduction in LAN service provision will result in a negative impact on struggling families. It is likely that the knock-on effect of this could incur costs to the County Council, local councils, NHS and wider public purse in excess of the saving.
- Examples were provided of instances where relatively small cost early in a crisis situation has prevented much larger expense later and negative outcomes for individuals and families. The LAN provides a preventative service consistent with the Council's priorities.

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

95. The Committee made comments on Mr Sheldon's representation regarding the Local Assistance Network including those that follow. It:

- Queried if Mr Sheldon anticipates any change to demand for LAN services. *Mr Sheldon stated the base level of demand in the last 4 years has been consistent. When changes are made to the benefit system they experience increased demand, and he anticipates an increase in demand in the coming months.*
- Commented that the works of the LAN support the Council's concern with providing joined-up services and taking preventative action. Members felt that whilst it isn't possible to quantify the actual savings to the Council from this preventative work it is clear the costs involved if families reach crisis situations are higher. *The Executive Director of Children, Adults, Families, Health and Education explained that the Government grant to fund LAN was removed some years ago but the Council used its discretion to maintain the funding of the service, therefore to consider this particular saving demonstrates the seriousness of the Council's overall budget provision. The scheme will remain funded at a lower level and the Council have committed to help the providers of LAN find alternative sources of funding. The Cabinet Member for Finance and Resources highlighted that whilst the LAN service is very worthwhile, it is imperative that the Council's front line service must be supported.*
- Requested clarity on whether the £200,000 saving figure provided in the report was all direct LAN funding or comprises other costs to the Council. *The Cabinet Member for Finance and Resources clarified that the figure is the total saving to the Council as a result of the proposed change. The direct funding reduction to the LAN providers would be approximately £90,000 with the remainder of the saving to the Council coming from reduced admin and staffing costs plus removal of the contingency fund.*
- Recommended that this proposed saving be paused in order to establish if other sources of funding can be found prior to reducing the Council's funding of the LAN. *The Leader commented that the Council had tried to sustain funding levels to the LAN after Government funding ceased, and that the proposed saving reflected the Cabinet's difficulty in finding further savings. The Leader undertook to take this proposed saving back to Cabinet to see if the saving can be made elsewhere rather than reduce LAN funding and will report the outcome to this Committee.*

96. The Committee made comments on the revenue and savings proposals including those that follow. It:

- Sought clarity on whether the £23m Business Rate Retention figure is this Council's share or across all authorities within West Sussex, and would the funds be used to support the Council's economic priorities to reduce the budget pressures elsewhere. *The Director of Finance, Performance and Procurement confirmed the money would be invested across West Sussex to meet shared objectives and that the Government decision with regard the scheme is expected in December.*
- Expressed concern re measure 10 crowd sourcing small grants, as the public can suffer charity fatigue and this saving cannot be relied upon until tested. *The Cabinet Member for Finance and Resources noted that measure 10 should not read 'and CIF' as this is not included within the savings proposal. The Leader reported crowd funding schemes are working well in other authorities and the Cabinet Member for Safer,*

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

*Stronger Communities urged members to attend the member day on 6 December for further information on the scheme.*

- Queried in relation to measure 12 Fostering Improvement Plan, whether the Cabinet were confident that there are enough carers to achieve the savings. *The Executive Director of Children, Adults, Families, Health and Education explained officers are working hard to improve recruitment and retention of foster parents as well as up-skilling existing foster parents to care for children who would previously have required a residential setting.*
- Queried what discussion had taken place with District/Borough councils in relation to measure 17, movement to 2 weekly district waste collections. Members expressed concern that authorities with high numbers of flats and Houses of Multiple Occupation (HMOs) may struggle to implement 2 weekly collections, and queried whether authorities would be required to go ahead with the scheme in order to make savings or face a penalty if they choose to remain on weekly collections. *The Leader confirmed discussions have taken place with district/borough councils and it is also being discussed with the Inter Authority Waste Group, and suggested that the Cabinet Member for Environment write to the Committee to address the concerns raised on this measure.*
- Commented that members would like more emphasis upon recycling in order to meet the recycling target for the county and to assist with making savings. *The Leader confirmed this is already underway as the Cabinet Member for Environment is trying to raise the profile of recycling in order to meet the target of 50% recycled by 2020. This will be further supported by the Waste Strategy.*
- Commented on measure 18, solar power, that the scheme is reported to be delivering good results and expressed a desire that progress be accelerated to provide income.
- Expressed concern regarding working to minimum statutory requirements in relation to measure 23, review of Highways service level, and sought reassurance that current road quality is maintained.
- Expressed concern in relation to measure 24, income generation from Controlled Parking Zones (CPZs) and on-street parking. Members were concerned about avoiding high parking charges and agreed that CPZs are useful for tackling problem parking but should not be used for income generation. The Committee will ask for the Cabinet Member to provide a breakdown of charge increases.
- Commented on the inter-relationship between measures 26 and 27, removing public bus subsidies and take up of the concessionary travel scheme. Members felt that reducing subsidies may lead to a reduction in routes, causing further decline in the use of concessionary travel, and noted that current levels of subsidy vary according to area. Members requested greater equity in subsidy distribution and that any changes to routes ensure that rural bus services are maintained. *The Chairman of ECSSC confirmed the Committee are scrutinising this at their next meeting and the Committee agreed to write to the Cabinet Member for further information.*
- Queried the impact of measure 74 Staffing changes (Voluntary Severance) on service provision and costs of the scheme. *The Director of Finance, Performance and Procurement clarified that the cost of the scheme was £1.8m, to be paid from the Transformation Reserve. Impact upon service provision will be minimal as each request will be carefully assessed for suitability.*

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

97. The Committee made comments on the capital programme including those that follow. It:

- Commented that emphasis should be put upon providing social and low cost housing as part of the PropCo developments. *The Cabinet Member for Finance and Resources noted the comment.*
- Expressed concern that members, particularly the local member, are kept informed of proposed alterations to facilities in relation to One Public Estate programme.
- Queried whether the Beechfield capital project is for a complete rebuild of the premises. *The Leader confirmed repairs have taken place to the premises to bring it to a better standard however final sign off of the works is awaited and officers continue to discuss the need for any further works.*
- General concerns were raised by members regarding the clarity around how capital schemes are reviewed and included in the programme. *The Leader clarified that Highways schemes are based upon safety but other schemes have a structured process to produce business cases and follow the correct governance arrangements.*

98. Resolved –

- (1) That the Committee notes the updated County Council's Medium Term Financial Strategy (2018/19 – 2021/22);
- (2) That, subject to the comments made, the Committee endorses the proposed savings to help achieve a balanced budget;
- (3) That, subject to the comments made, the Committee endorses the capital programme over the five year period (2018/19 to 2022/23); and
- (4) That the Committee's comments as follows be taken into account by the Cabinet when it considers the savings proposals and capital programme on 28 November 2017:
  - i. That the proposed saving in relation to the Local Assistance Network (LAN) is further investigated, particularly in relation to alternative sources of funding and impact on the County Council's services, and to be brought back to this Committee in January when the budget is further scrutinised,
  - ii. That Members are encouraged to attend the Member Day planned for 6 December for further information in relation to "alternative approaches to supporting community initiatives" / crowd sourcing and confidence in it achieving the savings proposed,
  - iii. That further information be provided to the Committee on the move to 2-weekly refuse collections, including what discussions have taken place with the District and Borough Councils, and that savings work and Waste Strategy include a drive to improve recycling targets,
  - iv. That the Committee requested further information on the reduction in bus subsidies and concessionary fares (recognising that the Environmental and Community Services Select Committee would be reviewing this at its next meeting),

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

- v. That the Committee raised concerns about using Controlled Parking Zones as a means of increasing revenue, and requested information on any proposed raise in parking charges,
- vi. That the Committee expressed concern about a reduction in road quality as a result of the Highway operations service level review, and requested the Cabinet Member provide further information in relation to using “minimum statutory requirements”,
- vii. That the Committee request Members, and particularly the local member, are consulted and informed in relation to projects linked to the One Public Estate programme and that PropCo developments consider the provision of social and low-cost housing when developing the Business Case, and
- viii. That the Committee request there is a better explanation of items included in any future papers in order to provide greater clarity on the proposals, particularly in relation to the grant funding received for capital projects.

### **Treasury Management Strategy 2018/19**

99. The Committee considered the report by the Director of Finance, Performance and Procurement, which sets out the Council’s Treasury Management Strategy for 2018/19, (copy appended to the signed minutes).

100. The Cabinet Member for Finance and Resources and the Director of Finance, Performance and Procurement introduced the report and outlined the borrowing and investment strategies with an emphasis on affordability.

101. The Committee made comments including those that follow. It:
- Expressed concern about the need to borrow to finance the proposed capital expenditure, and concern that the projection shows minimal progress is expected to be made with repaying borrowing in comparison to the Council’s position prior to the current ambitious capital programme. *The Cabinet Member for Finance and Resources explained that levels of borrowing are due to decrease to £312m by 2059 under this projection. Levels of investment are higher initially but will drop back down later as projects are completed. The Leader commented that the borrowing strategy has had significant scrutiny and has been shown to be manageable.*
  - Members commented that prudential borrowing is acceptable so long as it is invested in future benefits for residents and is kept at affordable levels.

102. Resolved – That the Committee supports the content of the 2018/19 Treasury Management Strategy Statement.

### **Business Planning Group Report**

103. The Committee considered the report by the Chairman of the Business Planning Group (BPG), (copy appended to the signed minutes).

104. The Senior Advisor introduced the report, which outlines the outcomes of the all members work programme planning event and changes to this Committees work programme.

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

105. The Committee made comments including those that follow. It:
- Queried the original cost of the SAP optimisation project and how much has been lost as a result of ceasing the project. *The Senior Advisor will ask for a briefing note from officers concerning costs and lessons learnt from the project.*
  - Expressed concern that the Cost Based Reduction (CBR) project has not resulted in an improvement of the service. *The Senior Advisor explained the project has been outlined at the BPG, and will be scheduled to come to a future Committee meeting.*
106. Resolved – That the Committee supports the Performance and Finance Select Committee's 2017/18 work programme.

### **Select Committees Work Programme: January 2018 - December 2019**

107. The Committee received a report by the Director of Law, Assurance and Strategy, outlining the proposed work programme for the Select Committees, (copy appended to the signed minutes).

108. The Head of Democratic Services introduced the report, which provides the draft work programmes of the four select committees for January 2018 - December 2019. Member feedback was asked for in relation to topics for debate at future County Council meetings and any further members training or development needs.

109. The Chairmen of the Health and Adult Social Care Select Committee and the Environmental and Community Services Select Committee provided a brief summary of their proposed work programmes for January 2018 - December 2019.

110. The Committee made comments including those that follow:
- Members felt that, whilst the Constitution allows the facility for debate at Full Council, this is not an appropriate forum for scrutiny. Members agreed that an overview of scrutiny function be provided to Full Council via the Annual Scrutiny Newsletter.
  - Members noted that there is some overlap in the work of the Health and Adults Social Care Select Committee (HASCSC) and Children and Young People's Services Select Committee (CYPSSC) in relation to mental health, and urged that this be dealt with together and moved forward as soon as possible. *Mrs Mullins confirmed CYPSSC are looking at closer working of these services in relation to mental health.*
  - Members expressed concern in relation to developing a sustainable workforce within West Sussex, as many children educated in the county do not end of working within West Sussex.

111. Resolved –
- (1) That the Committee approve the work programme of this Committee; and
  - (2) That the Committee support the service select committees scrutiny work programmes and recommends them for approval at County Council in December 2017.

Unconfirmed minutes – subject to approval/amendment at the next meeting of the Performance and Finance Select Committee

### **Forward Plan of Key Decisions**

112. The Committee considered the Forward Plan of Key Decisions December 2017 to March 2018, (copy appended to the signed minutes).

113. Resolved – That the Committee notes the Forward Plan.

### **Date of Next Meeting**

114. The Committee noted its next scheduled meeting will take place on Friday 8 December 2017, commencing at 10.30am.

The meeting closed at 4.08pm.

Chairman.