

Performance and Finance Select Committee

8 December 2017 – At a meeting of the Select Committee held at 10.30am at County Hall, Chichester.

Present: Mr Montyn (Chairman)

Mr Barrett-Miles	Mr Crow	Mrs Kitchen
Mr Boram	Mrs Dennis	Mr Turner
Mr Cloake	Mr Elkins	Dr Walsh

In attendance by invitation: Mr Hunt* (Cabinet Member for Finance and Resources), Ms Kennard** (Cabinet Member for Safer, Stronger Communities) and Mr Lanzer*** (Cabinet Member for Highways and Infrastructure).

Apologies for absence were received from Mr Bradbury, Mr Lea, Mrs Mullins, Mr Smytherman, Mr Waight and Ms Goldsmith.

* Mr Hunt left at 12.08pm.

** Ms Kennard arrived at 10.49 and left at 12.10pm.

*** Mr Lanzer left at 12.10pm.

Minutes of the Previous Meeting

115. Mr Boram highlighted a spelling error in his surname under Attendees.

116. Resolved – That the minutes of the Performance and Finance Select Committee held on 22 November 2017 be approved as a correct record, subject to the correction above, and that they be signed by the Chairman.

Response to Recommendation

117. The Committee noted the very prompt and satisfactory response from the Cabinet Member for Finance and Resources in relation to the Local Assistance Network (LAN) funding.

Treasury Management Mid-Year Review

118. The Committee considered a report by the Financial Reporting Manager, (copy appended to the signed minutes).

119. The Financial Reporting Manager introduced the item and explained the report comes to this Committee for scrutiny in line with CIPFA (Chartered Institute of Public Finance and Accountancy) guidelines. The report sets out the Council's performance against the Treasury Management Strategy Statement (TMSS) and details the current economic position.

120. The Cabinet Member for Finance and Resources reported his recent attendance at an LGA Finance course where Treasury Management was discussed. This Council's governance structure for Treasury Management was given as an exemplar of good practice and the Cabinet Member credited this to the work of officers.

121. The Committee made comments including those that follow. It:

- Sought clarity on the Council's overdrawn position for one working day due to a recalled BACS payment. Members queried if there should be a process implemented or procedure changed in order to identify these occurrences. *The Financial Reporting Manager confirmed this occurrence is an exception and that the banking process worked as expected. Recalls often happen but the reason for highlighting this was not the actual occurrence but the size of the recalled payment and the fact that the council's bank balance was overdrawn by more than £1m and as such is classified as short term borrowing. Lloyds have agreed to waive any charges incurred as a result of the Council's overdrawn position.*
- Queried why the borrowing limit has reduced and whether it is a result of the debt re-scheduling. *The Director of Finance, Performance and Procurement confirmed that the authorised borrowing limit was set at County Council in February 2017 and will not be changed until County Council approves new limits for the 2018/19 Treasury Management Strategy. The report sets out the forecast for the year based on the latest position.*
- Commented that investment has underachieved over recent years and queried if this could be improved by further investment in the CCLA Property Fund, as this has previously performed well and doesn't currently hold the maximum possible investment. *The Cabinet Member for Finance and Resources explained that a Treasury Management report on longer term investment options is due to come to the next meeting of the Treasury Management Panel and will propose options for alternative investments in order to maximise returns.*
- Suggested it would be helpful for the table at Appendix 1 to include a column detailing the institution's credit ratings. *The Financial Reporting Manager will incorporate this in future reports.*

122. Resolved – That the Committee supports the Treasury Management Mid-Year position.

Total Performance Monitor

123. The Committee considered the Total Performance Monitor (TPM) report by the Director of Finance, Performance and Procurement, which reflects the position as at the end of September 2017, (copy appended to the signed minutes).

124. The Cabinet Member for Finance and Resources introduced the report and noted the projected outturn is virtually on budget. The Director of Finance, Performance and Procurement noted the overview position is unchanged and highlighted key information. Although budget pressures are being managed these costs can escalate through winter. The report highlights Delayed Transfers of Care (DToC) as an important focus target for this Council and Government.

125. The Committee received an interactive presentation from Phil Gray, Principal Insight Analyst, looking at publicly available data for travel time on local A roads and Delayed Transfers of Care (DToC).

126. The Committee made comments in relation to the performance presentation including those that follow. It:

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- Commented that the highway data does not always reflect the traffic issues experienced on the roads, and doesn't give a full picture as it does not include trunk roads maintained by Highways England. *The Director of Finance, Performance and Procurement explained this demonstrated what can be done with the available data in order to inform discussion about travel issues.*
- Commented that while the highway data is useful and interesting the pressure remains from Government for further residential development, with the resulting affect upon speed and journey times. *The Director of Finance, Performance and Procurement explained the data helps in deciding how limited resources are utilised to get the best return for investment of funds and section 106 monies.*
- Queried whether the DToC figures are skewed by West Sussex residents attending East Surrey hospital. *The Principal Insight Analyst confirmed the data does not include these incidences.*
- Commented that HASC has not received this detailed data which would be very helpful, and requested this be formally provided to that Committee. *The Director of Finance, Performance and Procurement will arrange this.*

127. The Committee made comments in relation to the TPM report including those that follow. It:

- Queried the impact of the staff posts being held vacant across services valued at £1m, and whether this was having an impact upon the delivery of services. *The Director of Finance, Performance and Procurement explained vacancies are held in Early Years which are not impeding the Council's ability to intercede where needed and the Think Family project which is progressing well. For posts held vacant outside these areas there is a voluntary severance strategy in place which is ensuring that services remain fit for purpose, and this is regularly reviewed.*
- Members commented that the number of pupils in schools rated good by Ofsted was increasing but the KS2 attainment results are not seen to be improving. *The Chairman of the Children and Young People's Services Select Committee (CYPSSC) explained to members that the expected improvement trend will show in figures in years to come rather than months, it is expected to take 7-8 years to show the full benefit of the actions taken, and that the Director of Education and Skills is focused upon improvement and satisfied with the current progress.*
- Queried what action is being taken regarding the recent Government policy of having a mental health counsellor in each school. *The Director of Finance, Performance and Procurement notes that this is a very recent announcement and no further details have been given out by Government at this time. Information will be provided to this Committee once further guidance is available.*
- Queried whether the low take up of Free Entitlement (FE) funding for 3-4 year olds could be affecting KS2 performance. *The Chairman of CYPSSC explained that current provider take up was 92%. Officers are expecting it to soon reach 95% and again it will take time to see the results of this. The CYPSSC Business Planning Group has requested an early indication of school readiness levels.*
- The Chairman of the Health and Adult Social Care Select Committee (HASC) will write to this Committee's Chairman in relation to the scrutiny of parity in Disabled-related expenditure as per Appendix 2, due to concerns around the potential savings target.

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- Queried whether expected improvements from the improved Better Care Fund are materialising. *The Director of Finance, Performance and Procurement confirmed this and the Chairman of HASC noted this is due to come to that Committee in March 2018.*
- Queried what data was included in the unemployment rate for people aged 50-64 measure. *The Director of Finance, Performance and Procurement will provide further guidance to members on the data included in this measure.*
- Queried whether there is any further scope for increasing charges for strategic planning works and highways licences. *The Cabinet Member for Highways and Infrastructure is open to this possibility and will provide further information to this Committee.*
- Queried the reason for the large difference between Capital Monitor actuals to date and predicted spend as per Appendix 3. *The Cabinet Member for Highways and Infrastructure explained this is due to a large invoice from a contractor that is expected soon but has not yet been received, and further information on this will be provided to the Committee.*
- Queried whether the emerging underspend in the Highways and Infrastructure portfolio could be used or allocated for road maintenance and repair. *The Cabinet Member for Highways and Infrastructure explained the Council is committed to repairing reported defects however any surplus in the contract budget for road repair will be returned to central funds to help cover budget pressures. The Cabinet Member for Finance and Resources commented that any surplus should be looked at corporately to help balance the overall budget.*

128. Resolved:

- (1) That the Committee request a response from the Cabinet Member for Highways and Infrastructure with regard to highways and infrastructure fee income;
- (2) That the BPG consider the request from HASC regarding the parity in disabled-related expenditure; and
- (3) That the Committee remain concerned about KS2 performance and have previously referred this to the Children and Young People's Services Select Committee for monitoring.

Capital Programme Quarter 2 Performance Report

129. The Committee considered the report by the Executive Director of Economy, Infrastructure and Environment which outlines the status position on the Capital Programme as at 30 September 2017, (copy appended to the signed minutes).

130. The Committee received a presentation by the Capital Programme Manager, outlining the Capital Programme governance structure.

131. The Committee made comments including those that follow. It:

- Commented that the governance structure was thorough and robust.
- Clarified when scrutiny of capital programme projects can occur. *The Capital Programme Manager confirmed that projects totalling £500,000 or above will*

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be listed in the Forward Plan and can be requested to come to Committee if scrutiny is felt beneficial. The predicted start date for each project will be tracked and slippage of the date reported via the Pipeline section of the quarterly performance report presented to this Committee in Quarter 3.

- Queried the materiality of the 'red' rated projects and whether this relates to the impact or cost of the projects. *The Capital Programme Manager confirmed RAG Status rating reflected an assessment of Time/Cost/Quality performance of the project. The Outcome RAG status reflected the impact of issues on the outcomes of the project.*

132. Resolved – That the Committee notes the Capital Programme Quarter 2 Performance Report.

Forward Plan of Key Decisions

133. The Committee considered the Forward Plan of Key Decisions January to April 2018, (copy appended to the signed minutes).

134. Mr Boram commented in respect of the expansion of primary and secondary school places decision that he would like to look at whether the secondary schools have expansion plans to fit in with the primary places expansion in the Adur area. *Members of the Committee confirmed that the School Places Planning report would contain this detail but if not a specific member request could be sent to the Director of Education and Skills.*

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

Possible Items for Future Scrutiny

136. Mrs Dennis queried whether, as the Council has a NEETS performance measure, should there also be a college/Sixth Form provision measure included. *The Chairman confirmed this suggestion would be forwarded to the Director of Education and Skills.*

Date of Next Meeting

137. The Committee noted its next scheduled meeting will take place on Thursday 18 January 2018, commencing at 10.30am.

The meeting closed at 12.14pm.

Chairman.