

Performance and Finance Select Committee

22 January 2015 – At a meeting of the Select Committee held at 2.00 p.m. at County Hall, Chichester.

Present: Mrs Urquhart (Chairman)

Mr Acraman	Mrs Kitchen	Mr Turner
Mr Burrett	Mr Lamb	Mr Waight
Mrs Evans	Mr Metcalfe	Mr Watson
Mr Glennon	Mrs Millson	
Ms James*	Mr R Rogers	

In attendance by invitation: Ms Goldsmith (Leader) and Mr Brown (Cabinet Member for Finance).

Apologies for absence were received from Mr Tyler.

* Ms James arrived at 2.40 p.m.

Declarations of Interest

157. In accordance with the code of conduct, the following personal interests were declared:

- Mr Turner as a Worthing Borough Council Member in relation to the Hardship Fund allocation in the Draft Budget 2015/16 papers.
- Mr Burrett and Mr Lamb as Crawley Borough Council Members in relation to the Collection Fund allocation in the Draft Budget 2015/16 papers.

Minutes of the Previous Meeting

158. Resolved – that the minutes of the Performance and Finance Select Committee held on 4 December 2014 be approved as a correct record, and that they be signed by the Chairman.

Responses to Recommendations

159. The Committee considered responses from the Leader and the Cabinet Member for Highways and Transport on the comments and recommendations made at the previous meeting of the Select Committee (copies appended to the signed minutes).

160. The Committee felt that the alternative wording in the Future West Sussex Plan 2015-19 to describe West Sussex, 'Crawley to Chichester and Fernhurst to Findon', still did not cover West Sussex. 'Crawley to Chichester and Fernhurst to Fishersgate' was proposed as an alternative.

161. The Committee welcomed the responses and requested further details on pavement maintenance as plans develop as part of the budget (see minute 169).

Draft Budget 2015/16

162. The Committee considered a report by the Leader and Cabinet Member for Finance (copy appended to the signed minutes).

163. Since the publication of the papers, the covering report and Appendix A had been combined to create a new covering report. There had been no content changes to the document and the change was for presentational reasons (copy appended to the signed minutes).

164. Appendix C was also tabled for the Committee which included comments from the All Member Budget session held on the morning of 22 January 2015 (copy appended to the signed minutes).

165. The Committee began by looking through the Future West Sussex Plan 2015-19.

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

- Felt there should be consistency on page 11 of the plan where only some tiles referred to the year deadline. It was also felt that the image for Net Migration to West Sussex suggested that 30,700 was half the population.
- The second box on page 11 of the plan should say 'This goal is measured...' instead of 'measures'.
- 'SEND' on page 12 of the plan should be expanded to 'Special Educational Needs and Disability'.
- The sentence on page 15 which said 'West Sussex has fewer working age residents...' should be clarified to explain the 'fewer' comparison.
- The first bullet point on page 18 should say '...work with universities and further education providers...' rather than 'higher education providers'.

167. The Cabinet Member for Finance and the Executive Director of Corporate Resources and Services then introduced the Draft Budget 2015/16 paper and welcomed questions from the Committee.

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

- Asked if the proposals in the Future West Sussex Plan were deliverable within the proposed Draft Budget. – *The Cabinet Member for Finance confirmed that the budget had been written in partnership with the plan to ensure it was deliverable. The Leader also gave support to the plan and had confidence it was deliverable.*
- Queried the calculations based on the prediction that the Local Welfare Provision grant was withdrawn. – *The Executive Director of Corporate Resources and Services explained that the budget had been calculated based on the prediction that the grant was withdrawn. £0.9m had been calculated before the suggested spend from Government was known within the Settlement.*
- Asked about the predicted rise in residual waste tonnages. - *The Executive Director of Corporate Resources and Services reported that the projections included a rise in residual waste tonnages, which could be partly explained by the uplift in the economy which resulted in higher levels of waste. Work was planned with the Council's waste contractors to deal with the rise.*

- Sought clarification on the £10m contribution to the A27 Chichester scheme.
– *The Leader confirmed that this was a separate, earlier scheme from the £350m Government's Roads Investment Strategy. It was expected that the County Council would have to make a contribution towards the Government's strategy.*
- Queried the inclusion of £0.8m for staff capitalisation. – *The Executive Director of Corporate Resources and Services explained that this related to staff working on capital schemes. Part of their salary could be charged to the capital account with the remaining balance funded from revenue funds.*
- Sought reassurance on the inward investment required for the five bold ideas and when the return on the projects would be seen. – *The Leader confirmed that the Director of Economic Growth was working hard to ensure the projects were carefully managed to ensure they had a positive outcome for West Sussex. The Cabinet Member for Finance reported that he was maintaining the necessary scrutiny of the projects by ensuring they had adequate business cases.*
- Raised concerns that sufficient allocation had been made for the Care Act. - *The Cabinet Member for Finance explained that the precise implications of the new duties in the Care Act were not known and so an allocation had been made in order to satisfy the expected demand. The Leader reported that the risk register would be utilised to monitor the demand and gave support to the idea of a Task and Finish Group (TFG) looking into the matter. The Chairman for the Health and Adults Social Care Select Committee confirmed that the Carers TFG would be reconvening later in the year and would be able to investigate the implications of the Act on Carers.*
- Commented on whether there was a need for infrastructure plans and whether work done in previous years to develop Local Infrastructure Plans (LIPs) could be used as a starting point. - *The Leader and Cabinet Member for Finance agreed that this would be a good place to start.*

169. Resolved – That the Committee:

- (1) Supports the high level measures and outcomes included within the Future West Sussex Plan.
- (2) Endorses the County Council Draft Budget for 2015/16.
- (3) Considers the issues referred from the all Member session in the morning of 22 January 2015 have been resolved.
- (4) Asks the Cabinet to include more detail on inward investment when it considers the Draft Budget on 27 January 2015.
- (5) Requests details on footway improvement plans when they are ready. This resolution follows the discussion on the response to recommendations from the Cabinet Member for Highways and Transport (see minute 161).

Total Performance Monitor

170. The Committee considered a report by the Executive Director of Corporate Resources and Services (copy appended to the signed minutes).

171. The Cabinet Member for Finance introduced the report which set out the County Council's performance and risk position as at the end of November 2014.

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

- Queried the level of risk regarding the use of temporary social workers. – *The Cabinet Member for Finance confirmed that there were additional costs involved such as agency fees. The Leader explained that social worker recruitment was a challenging area. Committee members suggested that working in partnership with universities could help with this. The Leader agreed and proposed that working with South East 7 could also be a good avenue for investigation.*
- Expressed difficulties with the workforce projections in the report as monitoring staff levels without any context made it difficult to understand the figures. There were also no projections in the report, which made the title misleading. Members also felt that highlighting areas with specific staffing issues would be beneficial. – *The Cabinet Member for Finance reported that the targets and levels had been removed from the report in order to maintain the focus on keeping the workforce count as low as possible. The Executive Director of Corporate Resources and Services explained that there were plans to include projections in future reports.*
- Queried when the Street Lighting PFI installation work was expected to be completed. – *The Director of Highways and Transportation expected the works to be fully completed by May 2015. The contract would then shift from installation work to purely maintenance. A full contract review was due to take place by consultants which would review the contract's effectiveness.*
- Asked if the underspend on Concessionary Fares in the Highways and Transport portfolio would be carried forward. – *The Executive Director of Corporate Resources and Services said there were currently no plans to carry forward the underspend.*

173. Resolved –

- (1) That the Monitor be noted.
- (2) That the Committee will begin monitoring the workforce projections when they appear in future reports.
- (3) That the Committee requests an update on the work being done with South East 7.

Treasury Management Strategy

174. The Committee considered a report by the Executive Director of Corporate Resources and Services and Deputy Director of Finance (copy appended to the signed minutes).

175. The Cabinet Member for Finance introduced the report and welcomed questions and comments from the Committee.

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

- Queried how the budget would change if the assumptions for inflation prove incorrect. – *The Cabinet Member for Finance reported that the figures in the report would be amended as appropriate. The Deputy Director of Finance reported that the interest smoothing account would be utilised if appropriate.*
- Queried if there had been any deviance to the quoted investment strategy with the emphasis of investments being in the order 'security, liquidity and yield'. – *The Cabinet Member for Finance confirmed that whilst this order was always adhered to, the scale could be adjusted in order to allow more risk to gain higher yield. The Leader confirmed that all changes to the investment strategy required agreement from the Treasury Management Panel.*

177. Resolved – That the Committee:

- (1) Supports the 2015/16 Treasury Management Strategy Statement ahead of its submission for County Council approval in February 2015.
- (2) Requests that the wording for the investment strategy is clarified in future reports.

Managing the Capital Programme

178. The Committee considered a report by the Director of Highways and Transport (copy appended to the signed minutes).

179. The Director of Highways and Transport delivered his presentation and welcomed questions from the Committee.

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

- Expressed extreme disappointment in the continued lack of control over capital projects despite previous assurances that all was well.
- Queried if the problems with projects were due to a lack of staff training or a cultural issue. – *The Director of Highways and Transport explained that following a restructure of staff within Highways small projects had been managed by new staff and so the problems were mainly related to training.*
- Queried the level of Section 106 funds that get returned to developers. - *The Director of Highways and Transport reported that funds had been returned to developers where plans and contracts had not been clear enough. The Community Infrastructure Levy would need to be carefully managed when it was implemented in West Sussex.*
- Asked if the County Local Committees (CLC) would still be able to propose infrastructure programmes. - *The Director of Highways and Transport explained that programmes should only be considered if the agreed outcome matched a corporate priority. CLCs would need to give clear expectations to the public on which programmes would be delivered.*
- Queried how CLCs could help to ensure Section 106 funds were spent appropriately. - *The Director of Highways and Transport resolved to investigate ways to collate the information and make it available for members.*

181. Resolved – That the Committee:

- (1) Welcomes the report and the frank investigation of the Capital Programme.
- (2) Requests information showing Section 106 repayments for recent years.
- (3) Asks for information relating to current Section 106 levels to be made available for CLCs.
- (4) Requests a review of the Governance process to ensure the whole system is more robust from start to finish.
- (5) Requests an update on the Capital Programme in six months.

Forward Plan of Key Decisions

182. The Committee considered the Forward Plan of Key Decisions February to May 2015 (copy appended to the signed minutes).

183. The Forward Plan was noted.

Date of Next Meeting

184. The Committee noted that its next scheduled meeting will take place on 18 March 2015 at 10.30am at County Hall, Chichester.

185. The Committee also noted that a joint meeting with the Environmental and Community Services Select Committee was scheduled to take place on 27 February 2015 at 10.30am at County Hall, Chichester.

The meeting closed at 4.55 p.m.

Chairman.