

Performance and Finance Select Committee

16 March 2016 – At a meeting of the Select Committee held at 10.30 a.m. at County Hall, Chichester.

Present: Mrs Urquhart (Chairman)

Mr Cloake	Mrs Kitchen	Mr Turner
Mrs Evans	Mr Lamb	Mr Tyler
Mr Glennon	Mrs Millson	Mr Waight
Ms James	Mr R Rogers	

In attendance by invitation: Mrs Field (Cabinet Member for Community Wellbeing), Ms Goldsmith (Leader), Mr Hunt (Cabinet Member for Finance), Mr Lanzer (Cabinet Member for Corporate Relations) and Mr O'Brien (Cabinet Member for Highways and Transport).

Apologies for absence were received from Mr McAra, Mr Metcalfe and Mr Watson

Part I

Declarations of Interest

297. Mr Cloake declared a personal interest in Item 7 (Total Performance Monitor) as a foster carer. Mr Lamb declared a personal Interest in Item 5 (Integration of the County Council's Legal Services with other authorities) as a member of Crawley Borough Council.

Minutes of the meeting held on 25 February 2016

298. Resolved – that the minutes of the Performance and Finance Select Committee held on 25 February 2016 be approved as a correct record, and that they be signed by the Chairman.

Investment in the Merston Solar Farm

299. The Committee considered a report and an update on due diligence by the Executive Director for Residents and Environmental Services and the Director of Law, Assurance and Strategy (copies appended to the signed minutes).

300. The Director of Law Assurance and Strategy advised that the proposition before members was still subject to discussion with the creditors Close Brothers and it was not possible to discuss the detail in open session due to commercial sensitivities. He proposed that members consider taking the item in Part II. The Chairman agreed that the item be moved to the end of the agenda.

Integration of the Council's Legal Services with other Local Authorities

301. The Committee considered a report by the Director of Law, Assurance and Strategy (copy appended to the signed minutes).

302. The Director of Law, Assurance and Strategy introduced the report. The initial step would be to form a partnership with other local authorities to make short term savings by sharing capacity, assisting with recruitment and reduce external spending on the more complex areas of legal work. In the longer term it is anticipated that there would be a more commercially based proposition to be examined by the partnership, offering a service to a wider set of customers.

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

- Asked about the timescale for the proposal – *The Director of Law, Assurance and Strategy advised that a soft launch was proposed for 1 April 2016 with no integration in the first year. Following this opportunities would be investigated for working together on joint capacity and recruitment. Opportunities for some immediate savings would be investigated e.g. the on-line law library.*
- Asked whether the District and Borough Councils were aware of the proposal and what contact has there been to establish connections to share costs. *The Director of Law, Assurance and Strategy advised that a proposition had been looked at 2-3 years ago but it had not come to fruition as there were too few synergies between County Council and District and Borough legal functions. However there are some areas where District and Boroughs could tap into a shared legal service resource e.g. advice on employment law, contracts and procurement. The Leader resolved to raise this matter at a future Joint Leaders meeting, giving them the opportunity to look at possible areas for District and Borough Councils to benefit from the potential for making savings too.*
- Asked about the future role of the Monitoring Officer and legal advice for staff appeals – *The Director of Law Assurance and Strategy confirmed that there would be no changes nor were there any plans for a change to move offices, but the partnership would give officers the flexibility to work in Brighton or Surrey if this was more convenient.*
- Asked about the staffing comparisons between the authorities with regard to costs and numbers – *The Director of Law, Assurance and Strategy confirmed that under the new partnership arrangements some alignment of the four teams would be necessary.*
- Asked about the potential risk of conflict of interest between the councils – *The Director of Law Assurance and Strategy confirmed that this potential risk for conflict of interest is managed already within the County Council's legal services and this will be managed in the same way between authorities. He resolved to let members have details of the protocol used to deal with such conflicts of interest.*
- Queried how peaks and troughs in recruitment would be managed - *Director of Law Assurance and Strategy advised that one of the benefits of the partnership would be for joint recruitment and a sharing of costs.*
- Asked whether specialist legal costs incurred by any of the other partners would be a drag on the others – *The Director of Law, Assurance and Strategy advised that the issue had been addressed in the financial plan and budgets will be managed so as to prevent such a risk arising.*

- Queried how any substantial long term or costly litigious issues would be managed. *The Director of Law, Assurance and Strategy confirmed that each of the services currently accounts for this situation, only standard running costs and predictable spend items are budgeted for. Internal resources from the relevant service within the relevant authority would need to be drawn on outside of this arrangement to manage any issue that arose.*

304. The Cabinet Member for Corporate Relations thanked the Select Committee for its support and stated that in the future a similar arrangement with District and Boroughs would not be ruled out.

305. The Chairman requested that the Director of Law Assurance and Strategy regularly updates the Committee's Business Planning Group on plans to involve other Authorities where synergies have been identified, , details of any potential conflicts of interest and any future development of the plans.

306. Resolved – That the Committee:

- (1) Supports a Legal Services partnership agreement with East Sussex County Council, Brighton and Hove City Council and Surrey County Council with effect from 1 April 2016;
- (2) Supports the establishment of a Joint Committee as the governing body for the partnership to oversee the discharge of the Council's Legal Service functions using the Terms of Reference for the Joint Committee as set out in Appendix A;
- (3) Supports the appointment of the Cabinet Member for Corporate Relations to the Joint Committee;
- (4) Supports the development of a Business Case for an Alternative Business Structure (ABS), in the form of a Limited Company approved by the Solicitor Regulation Authority, and to delegate authority to the Executive Director Corporate Resources and Services to establish such an ABS if it is considered appropriate;
- (5) Supports the delegation of authority to the Director Law Assurance and Strategy to take any action needed to give effect to, or in consequence of the above recommendations, including agreeing and entering into the Articles of Association, shareholder agreement and an Inter Authority Agreement;
- (6) Requests regular updates to the Business Planning Group on how the plans for the partnership are being progressed as well as where synergies can be found with other authorities and details of any potential conflicts of interest.

Future West Sussex Plan and Medium Term Financial Strategy 2016/17 to 2019/20: Budget Update

307. The Committee considered a report by the Director of Finance (copy appended to the signed minutes).

308. The Cabinet Member for Finance highlighted the point that the £6.2m transitional funding for 2016/17 had been granted by Government to soften the decline in Revenue Support Grant. A number of options for investment had been considered including reducing capital borrowing but the proposals as set out in the report aim to support areas of concern around sustaining budget reductions as well as offsetting the real reduction in the Public Health Grant.

309. The Director of Public Health gave a presentation on the Implications of the reduced Public Health Grant (copy appended to the signed minutes). The presentation highlighted the importance of health improvement and preventative services as well as the return on investment for every £1 spent on such initiatives as promoting non-smoking and exercise. There is a public perception risk for the County Council if it is no longer seen to have influence in public health.

310. The Cabinet Member for Highways and Transport reported that areas of concern identified for investment from the transitional fund included pavements/footways and road markings. This was an opportunity to identify high footfall areas, develop robust prioritisation criteria and for a long term Highways Asset Management Strategy.

311. The Committee made comments including those that follow. It

- Thanked the Director of Public Health for the informative presentation and asked for it to be sent to all members.
- Queried the quality assurance process in relation to highways maintenance and whether quality/poor workmanship was reported to contractors– *the Interim Executive Director of Residents' Services advised that there are robust processes for monitoring quality assurance in place. All works had to be signed-off, if any problems were identified a defect notice would be issued for resolution. Under a 'new ways of working' initiative restrictive practices are being changed to encourage more work to be carried out at the same time in a locality to save money.*
- Asked how footways in need of improvement would be prioritised to ensure achieve the best return on the spending - *the Interim Executive Director of Residents' Services advised that focus areas would be targeted and members asked for their views. It is an opportunity to change the way the County Council prioritises its work programme, which will be shared with members of the Environmental and Community Services Select Committee.*
- Supported the Public Health services and noted the financial benefits to be derived from initiatives such as the prevention of strokes, early awareness of dementia and the vaccination programme.
- Highlighted that Paragraph 36 was inaccurate as it argued that funds for the Merston Solar Farm would be found from internal borrowing and not external borrowing and therefore costs avoided – *the Director for Finance agreed that the statement was misleading as the County Council will have to borrow externally by 2019 and investing in Merston Solar Farm now would simply bring this forward.*

- Asked about the proposal for some of the transitional funding to be used for Education and Skills – Early Years Support – *the Executive Director Care, Wellbeing and Education advised that the funding would provide a short sharp intervention to give immediate impact in Early Years results. A team in an Early Years setting would help with the transition for children between Early Years and Primary School to ensure children are ready to start Key Stage One.*
- Queried the increased spending on road markings and questioned whether this was a mandatory function that should be done anyway. *The Interim Executive Director of Residents' Services stated that the additional monies was to support work in vulnerable areas.*
- Highlighted the importance of maintaining the funding available for children and young people's mental health services.
- The Committee unanimously supported all the proposals. The prevention measures in public health and the importance of working with partners was recognised by the Committee. Improvements to footways was supported as an investment to save in the long term providing good value for money for West Sussex residents. The Committee requested that update reports on the public health initiatives and quality assurance for footway and highway improvements be taken to the respective Select Committees on how the money is to be prioritised.

312. Resolved – That the Committee supports the proposals to apply the £6.2m gained from the transition grant and the work to address the £2.9m shortfall for the Public Health Grant.

Total Performance Monitor – end of January 2016

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

314. The Cabinet Member for Finance introduced the report which set out the County Council's performance and risk position at the end of January 2016. The Cabinet Member highlighted the controls and monitoring work that have been put in place for the Children's Start of Life portfolio budget. Another area of work in progress is a review of the risk management strategy.

315. The Committee made comments including those that follow:

- Mr Cloake (Chairman Children and Young People's Select Committee) reported that a response to Performance and Finance Select Committee on the rising costs and overspend of Children Looked After target would be prepared soon.
- Mr Cloake considered that it was not appropriate to have a reduction in children looked after target in the Performance Framework. The wording needs to be amended to clarify what is intended. The Chairman suggested that some thought is given to a better measure for this performance area.

316. Resolved – That the Total Performance Monitor is noted.

Forward Plan of Key Decisions

317. The Committee considered the Forward Plan of Key Decisions April to July 2016 (copy appended to the signed minutes).

318. Resolved – That the Forward Plan is noted.

Possible Items for Future Scrutiny

319. Scrutiny of the opportunities arising from the integration of legal services in relation to the court system, particularly in relation to adoption processes .

Date of Next Meeting

320. The Committee noted that its next scheduled meeting would take place on 21 April 2016 at 10.30 a.m. at County Hall, Chichester.

Exclusion of Press and Public

321. Resolved – That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A, of the Act by virtue of the paragraph specified under the item and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

The meeting closed at 12.50 p.m.

Chairman

Summary of Matters discussed in the absence of the Press and Public

Investment in Merston Solar Farm

(Exempt, paragraph 3, Financial or business affairs of any person (including the authority))

Following a request by the Committee at its meeting in February for further information, the Committee considered the latest information on the investment and made a recommendation to the Leader.