

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

Performance and Finance Select Committee

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

Present: Mr Montyn (Chairman)

Mr Barrett-Miles	Mrs Dennis	Mr Smytherman
Mr Borum	Mr Elkins	Mr Turner
Mr Bradbury	Mrs Kitchen	Mr Waight
Mr Cloake	Mr Lea	
Mr Crow	Mr Oppler	

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

Apologies for absence were received from Mrs Mullins

- * Ms Goldsmith arrived at 10.37 and left at 2.02pm
- ** Mr Oppler left at 12.56
- *** Mr Crow left at 1.56pm
- **** Mr Hunt left at 2.02pm

Declarations of Interest

37. 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.

38. Mr Boram declared a personal interest in relation to the West Sussex Plan and use of sustainable energy as a Director of EDF Energy plc.

39. Mr Cloake declared a personal interest in relation to the TPM (Children's Social Care) as his wife works for the County Council as a Social Worker, and as a foster parent for a West Sussex child.

39. Mr Oppler declared a personal interest in relation to the TPM (Children's Social Care) as a foster parent to a West Sussex child.

40. Mr Smytherman declared a personal interest in relation to the TPM (Children's Social Care) as a Regulation 44 Inspector of private Children's Homes in West Sussex, and a personal interest in relation to the Capital Programme (Children's Social Care) as a Trustee of Coastal West Sussex MIND.

41. Mr Bradbury declared a personal interest in relation to the Capital Programme (school results) as a Mid Sussex District councillor and Trustee of Sussex Learning Trust.

42. Mr Waight declared a personal interest in relation to the Capital Programme (housing) as a member of Worthing Borough Council.

◇ Mrs Kitchen declared an interest as at point 61.

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Minutes of the Previous Meeting

43. Resolved – That the minutes of the Performance and Finance Select Committee held on 14 July 2017 be approved as a correct record and that they be signed by the Chairman.

West Sussex Plan 2017 - 2022

44. The Committee considered a report by the Chief Executive and Head of Performance and Intelligence, (copy appended to the signed minutes).

45. The Head of Performance and Intelligence outlined the West Sussex Plan 2017–2022, which builds upon the current Future West Sussex Plan. It will enable the alignment of county council resources to the outcome priorities identified when the budget is presented to this Committee for consideration. Comments from the all member session held on 11 October and this Committee will be reviewed, particularly in relation to the suggested new performance measures. The Council's performance against all measures can be viewed via the online Performance Dashboard and in the monthly Total Performance Monitor (TPM). The Leader highlighted that the West Sussex Plan is not set in stone and may evolve in line with member and committee recommendations.

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

- Queried whether targets and benchmark data will be included. *The Head of Performance and Intelligence confirmed that this information would be available on the Performance Dashboard and would be monitored through the Total Performance Monitor (TPM).*
- Queried the inclusion of museums and theatres as a performance measure and what is the intended outcome behind this indicator, e.g. to increase the number provided. *The Leader confirmed this measure is linked to the Council's cultural offer and development of the tourism economy. The Head of Performance and Intelligence explained the indicator will measure footfall through museums and theatres which is a proxy indicator for measuring prosperity.*
- Queried the inclusion of hip fractures as a performance measure and whether the 80years plus age threshold for the measure should be reduced. *The Leader agreed the threshold should be lowered. Following the meeting the Head of Performance and Intelligence confirmed that the Public Health England measure is for emergency hospital admission for hip fracture in persons aged 65 and over, and this measure has been adopted in the Plan.*
- Queried whether the provision of additional school places performance measure relates to creating new places at existing schools or creating new schools. *The Head of Performance and Intelligence clarified this was the building of extensions at existing schools to accommodate rising numbers and will provide the School Place Planning document to the Committee for further information.*
- Expressed concern that the Council has no control over performance of some of the measures in the West Sussex Plan. *The Leader explained the Plan is ambitious but the Council remain flexible and pragmatic so can amend the Plan as necessary. It is important to have the increased number of performance measures to enable the collection of data. The*

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Chairman commented that the measures reflected the breadth of services covered by the Council.

- Queried whether, following a serious case review within the county, a measure could be added to ensure safeguarding of children and young people is managed at the highest level. *The Leader agreed that this would be highly appropriate and will be considered. West Sussex was the first Council to pledge to raise the profile of Child Sexual Exploitation (CSE) and urged members to continue to raise the issue of CSE within their local areas. The Chairman of the Children and Young People's Services Select Committee confirmed for members that the Director of Family Operations is focusing on CSE following a serious case review, working on the community's response and view of the victim. The Children and Young People's Services Select Committee are scrutinising this.*
- Queried why only hate crime was included as an indicator and whether an indicator around the levels of all crime should be added. *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.*
- The Leader and Committee noted that Anuschka Muller, Head of Performance and Intelligence, is leaving the authority and expressed thanks for her work in Performance reporting.

47. Resolved –

- (1) That the Committee supports the proposed West Sussex Plan 2017–2022 for onward consideration at Cabinet and Full Council;
- (2) That the Committee notes the comments at the all Member event on 11 October; and
- (3) That the Committee recommends more detail be included on the targets and what is hoped to be achieved, that comments from the all member session and this committee are noted for individual indicators, and that a measure to ensure safeguarding of children and young people is identified and included.

Medium Term Financial Strategy 2018/19 – 2021/22

48. The Committee considered the Medium Term Financial Strategy (MTFS) 2018/19–2021/22 report by the Director of Finance, Performance and Procurement, which reviews and updates the Medium Term Financial Plan for the next four years and outlines the budget setting process.

49. The Cabinet Member for Finance and Resources introduced the report and thanked the Director of Finance, Performance and Procurement and her team for the work undertaken over the last two years to simplify the report.

50. The Director of Finance, Performance and Procurement summarised the report for members, referencing the more detailed engagement at the all member day 11 October 2017, and explained that the MTFS underpins the West Sussex Plan. The report shows effective implementation of savings to date of nearly £200m and outlines the high level budget for the forthcoming years. The

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Council continue to look for other funding sources in order to produce a balanced budget.

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

- Expressed concern at the reduction in Revenue Support Grant from the Government and how this will be managed, and queried how West Sussex council tax spend per head rates compare to similar local authorities. *The Director of Finance, Performance and Procurement confirmed that the argument for increasing the level of revenue support grant received is repeatedly made to the Government, highlighting in particular the volume of adult and later life needs within the county. The amount granted is looked at holistically via the relative needs formula and it is this figure that the Finance Team work to in order to balance the Budget. The Cabinet Member for Finance and Resources reiterated that the Council always campaigns for more funding. The Director of Finance, Performance and Procurement explained that council tax base is based on the number of households within the county. The County has a higher proportion of properties in higher council tax bands which means the county receives proportionally more income via council tax than other less prosperous counties.*
- Expressed concern about the short time between the Capital Programme coming to this Committee on 22 November and then going to Cabinet on 28 November, as this does not allow officers much time if there are significant concerns highlighted at Committee. *The Director of Finance, Performance and Procurement explained that the Capital Programme is coming early in order to be agreed prior to the full budget. There is confidence that officers can turn around any work within the stated timescale, however the comments will be noted for the next financial year.*
- Requested that a summary of spending (income/expenditure) by portfolio is provided to the Committee with the Budget information. *The Leader confirmed this is included in the Budget Report.*
- Expressed concern about the risks faced by the UK economy and public finance from Brexit. Members queried whether risk scenarios are considered by the Council and if there is a concern about falling receipts of business rates should no deal be reached on Brexit. *The Leader recognised the Brexit deal is currently uncertain and confirmed that the Council must protect our local economy. Small and Medium Enterprises (SMEs) are vital to the local economy and the Council must work hard, in partnership with District and Borough councils, to promote West Sussex as a good place for businesses to stay and invest.*

52. Resolved –

- (1) That the forecasts and assumptions leading to the budget gap over the period 2018/19 to 2021/22 are noted; and
- (2) That the Committee requests the comments about the indicative timetable for drawing up the Budget for 2018/19 are noted for future years.

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Total Performance Monitor

53. The Committee considered the Total Performance Monitor (TPM) report as at end of July 2017, produced by the Director of Finance, Performance and Procurement (copy appended to the signed minutes).

54. The Cabinet Member for Finance and Resources introduced the report, briefly outlined some changes made to the report as a result of member feedback and commended the report to the Committee.

55. The Director of Finance, Performance and Procurement introduced the report and confirmed that there are continued financial pressures on the Adults and Health, Children Start of Life and Waste portfolios, but confirmed these pressures are being mitigated and that while the Council aims to balance the budget there is a £3m revenue contingency available if required. Work has been done on the Capital Programme reflecting this Committee's concerns around project slippage.

56. The Head of Performance and Intelligence outlined key points in relation to performance. There has been a positive change since July with more West Sussex schools having been rated Good by Ofsted, however this has not produced a change to the performance measure as the number of pupils in schools rated Good or Outstanding remains at 83%. Provisional Key Stage 2 (KS2) results and benchmarking data have been made available, despite achieving the second highest increase in results West Sussex remains in a similar low position in the tables due to continuing improvements in other authorities. Children's Mental Health remains a challenge largely due to staffing issues.

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

- Queried if the savings made in the Highways and Infrastructure portfolio could be used for the maintenance of roads or earmarked for this purpose in the future. *The Cabinet Member for Finance and Resources explained that this saving would be used to mitigate budget pressures in other areas.*
- Expressed concern that one of the Council's key suppliers of school coach transport has gone into liquidation, and wished to understand whether the contract offered to the company was under-priced and if this had any bearing upon the liquidation of the company. *The Cabinet Member for Finance and Resources confirmed the School Transport team are looking into this issue but there is no indication the Council's contract was a factor. Further information will be provided to the Committee once available.*
- Stated that the Revenue Outlook table provided in the May TPM report was equally useful to the revenue budget monitor provided in the July TPM. Members agreed that reporting this quarterly would be helpful.
- Requested improved capital reporting between the TPM and the Quarterly Capital Programme report. *The Director of Finance, Performance and Procurement noted this.*
- Queried whether the Novartis business case would come to Committee for scrutiny. *The Director of Economy, Planning and Place explained that individual business cases don't come to Committee unless requested, as they are reported through management and governance of the Capital*

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Programme. The Leader confirmed that the business case in relation to the purchase of the site was presented to a previous joint meeting of PFSC and ECSSC.

- Expressed concern surrounding the challenges in young people's Mental Health services as staff leave and sickness is always to be expected, and queried how the capacity issues are going to be resolved for the future. *The Head of Performance and Intelligence confirmed the effect upon performance was mostly due to families wishing to engage only with specific officers, and that the team are aware of this and trying to mitigate the effect.*
- Members noted the improvement in KS2 results and the support for the fairer school funding campaign, however despite the improvement attainment at KS2 the results are not good enough and do not seem to fit with the figure given in the TPM that 83% of children are in a Good or Outstanding school. *The Cabinet Member for Education and Skills explained that the results data is historic as following the change in curriculum some schools were slow to respond to this. Since the new Director of Education and Skills has joined the authority there has been a major focus on a KS1 and KS2 action plan, however this needs time to show results. The new West Sussex Plan increases the performance indicator to two measures instead; the number of Good and Outstanding schools in the county, and also the number of pupils in Good or Outstanding schools which should give a better representation of the current performance.*

58. Resolved –

- (1) That the Total Performance Monitor report as at end of July 2017 be noted;
- (2) That the Novartis business case be brought to the Business Planning Group to determine the appropriate timing for further scrutiny by this Committee; and
- (3) That the Chairman makes a recommendation to the Children and Young People's Services Select Committee to closely monitor the results for Key Stage 2.

Quarter 1 Capital Programme Performance Report

59. The Committee considered a report by the Executive Director of Economy, Infrastructure and Environment (copy appended to the signed minutes).

60. The Capital Programme Manager introduced the report, which provides a status position on the Capital Programme as at 31 June 2017, outlined the updates to the information and highlighted risks to the Programme.

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

- Queried when the Novartis full business case should be expected. *The Director of Economy, Planning and Place explained that options are currently being worked through in line with the strategic options appraisal. The site was acquired in December 2016, the Council has since been advised on options for the site and these are now being tested for costings*

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and revenue. It is expected that this will be narrowed to two options in 6 months' time and will then need to go through pre-application planning advice with Horsham District Council.

- Mrs Kitchen declared a personal interest in relation to Capital Programme (Novartis) as a member for Horsham District Council and appointed to the Planning Committee.
- Expressed concern that when comparing the Capital Programme to the Capital Monitor in the TPM, the budget for Income Generating Initiatives (IGIs) seems to disappear and queried the impact of having deferred delivery of these IGI projects. *The Director of Finance, Performance and Procurement confirmed the projects are being reprofiled as shown in the Capital Programme and will not go ahead this financial year. The aspirations of the projects remain unchanged and they will be included in next year's programme when it is confirmed they are deliverable.*
- Members noted that monies set aside for specific projects are not shown in the Capital Monitor, and whilst there will always be slippage within the Capital Programme queried whether there is a clearer way of presenting this to members. *The Leader acknowledged this point and commended the officers for reducing the previous levels of serious slippage within the Capital Programme. Projects are very complex and often done in partnership so this can delay the timeline. The Capital Programme Manager noted the feedback and explained that whilst it does not currently, Section 3 Pipeline Projects in the performance report could show projects going from strategic to pipeline status.*

62. Resolved – That the Committee requests greater clarity within the quarterly capital programme performance report in relation to project slippage, alterations or reprofiling.

Orchard Grove End of Project Report

63. The Committee considered a report by the Executive Director of Economy, Infrastructure and Environment and Director of Economy, Planning and Place (copy appended to the signed minutes).

64. The Technical Project Manager introduced the report, which details the final outcomes of the development and lessons learnt. The scheme is completed, all properties have sold and the total return for the project is £935,000. The build went well though a little longer than predicted; all residents are satisfied with their properties.

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

- Congratulated officers on completing the project under budget, but with a very credible product and good outturn. Members commented that the development is very impressive and were supportive of further projects of this nature. *The Leader echoed this and stated that credit is due to the Technical Project Manager for his dedication to the small detail of the project which ensured its success. The next development will be Angels Nursery at Barnham which is aimed at a different market point and will focus on unique selling points.*
- Members noted the lessons learned in terms of design and stressed the importance that these principles be maintained for the next development. *The Technical Project Manager confirmed this will be the case. The*

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Cabinet Member for Finance and Resources stated this project is a good example of IGLs and that future initiatives would be reported to this Committee.

66. Resolved – That the Committee notes their congratulations to the team and expresses a desire for further similar projects.

Asset Strategy

67. The Committee considered a report by the Executive Director of Economy, Infrastructure and Environment and Director of Economy, Planning and Place.

68. The Director of Economy, Planning and Place outlined the report which provides an update of the progress made in developing the Council's Asset Strategy. Data categories have been agreed and the desktop work completed; officers are now engaging with departments to assess their needs and future service delivery. Once this is complete this will be matched against Council holdings. The target for the Strategy to be adopted is summer 2018 and this is on target for being achieved.

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

- Expressed concern that similar projects have been undertaken in the past such as the Way We Work. This project identified changes but these were not supported by staff who did not wish to move from convenient locations. Members stated there is a need to be very robust with the service provision to prevent this from happening again. *The Director of Economy, Planning and Place explained there were actions taken from the Way We Work project, with a reduction of 42 buildings. The financial environment of the Council at that time is very different to today, services are fully aware of the Council's savings targets and that location is a key aspect in how services are delivered efficiently.*
- Members requested a review of this project is brought back to this Committee in 6 to 12 months to assess the progress of the project. *The Leader explained this project is not just about selling off County property but focuses on how we use our property and how this fits into the West Sussex Plan. Review of the project after 1 year might be optimistic as it is estimated to be a 3 to 5 year project and lots of change is due in Child, Adult and Communities services in order to use our assets to benefit our communities. The Cabinet Member for Finance and Resources stated that the project is discussed monthly with the Director of Economy, Planning and Place to ensure progress remains on track, and that officers are keen to move this forward and make savings where possible. The Director of Economy, Planning and Place confirmed that once complete the Strategy will be reported to Cabinet Board followed by a Cabinet Member decision to adopt the Strategy. The finalised strategy could be reviewed by the Committee at this time.*
- Queried whether the costs metrics stated for holding the assets were per annum, if they were all-inclusive of staff costs and how this compares to other authorities. *The Director of Economy, Planning and Place confirmed this is the first time we have had a metric so the Council can now assess against other authorities, however this is not comparable to the private sector. The costs of project staff and Facilities Management staff are*

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included in the figure, but operational service staff are not as this is a HR cost.

- Expressed concern that consultation is undertaken in relation to changes to social care services as in the past this has led to inappropriate choices for local communities. The Local member should be consulted prior to any decision being made to benefit from local knowledge. *The Leader agreed that local member involvement is required.*
- Queried whether a uniform assessment of asset holdings is made alongside District and Borough councils, if asset sharing or swapping has been considered and whether there is a way of capturing the intangible benefit or value of an asset to a community. *The Director of Economy, Planning and Place explained that Government House has a data holding system which authorities can input their asset data into to share with other authorities, and confirmed the Council is working towards inputting our data. The valuation of the Council's assets is the insurance value, as a market valuation would be immediately out of date, but it does not account for value to a community. The Leader agreed that there is a social value to assets.*

70. Resolved –

(1) That the Committee notes the updates on the Asset Strategy and supports the work being undertaken;

(2) That the Committee requests local members be included in consultation around assets in their local area; and

(3) That the Committee wishes to review the Strategy and savings made as a result at an appropriate time.

Business Planning Group (BPG) Report

71. The Committee considered a report by the Chairman of the Business Planning Group (BPG).

72. The Senior Advisor introduced the report which provides an update from the BPG meetings held on 24 July and 16 August 2017.

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

- Expressed concern at the close timing of Committee meetings at the end of the year. *The Senior Advisor explained that the spacing of meetings is in order to scrutinise the budget programme, as this is a responsibility of the Committee before it goes to Full Council. This also means there is a longer gap between meetings in the summer. If the BPG decide there is nothing for the Committee to look at for a scheduled meeting then the meeting would be cancelled.*
- Queried the feedback given at the previous Committee that members suggested a list of officer actions be produced for members following Committee. *The Senior Advisor explained this was discussed by the BPG and it was felt that this was not necessary as the minutes summarise officer actions.*
- Queried that the minutes of the previous meeting note information was requested on the effects of academisation on the Council's balance sheet.

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The Senior Advisor confirmed this is on the work plan for the BPG, along with Business Support Grants.

- Queried whether there is scope for holding some meetings of the Committee in County Hall North, Horsham to minimise the need for some members to travel longer distances. *The Senior Advisor confirmed meetings have been held in Horsham previously when dealing with issues specific to that area. The Chairman stated this will be discussed by the BPG, but must also be balanced alongside officer time.*

74. Resolved – That the Committee supports the 2017/18 work programme, as at Appendix A.

Forward Plan of Key Decisions

75. The Committee considered the Forward Plan of Key Decisions November 2017 – February 2018 (copy appended to the signed minutes).

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

- Expressed concern that there has been a number of urgent decisions taken recently, and queried whether the use of urgent decisions is monitored to ensure these are minimised. *The Senior Advisor confirmed that Democratic Services monitor this, try to avoid urgent decisions where possible and follow up if there is a pattern of a service using them frequently. The Chairman noted that the Monitoring Officer also reviews each urgent decision and they are noted at County Council meetings.*

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

Possible Items for Future Scrutiny

78. Mr Smytherman reported he has been contacted by the media in relation to a significant data breach by the Council. Members requested an update in relation to this breach. *The Chairman asked the Senior Advisor to look into this matter and circulate the requested information to the Committee.*

79. Mr Bradbury requested that the changes to the Data Protection Act due to come in from 1 April 2018 come to Committee for members to scrutinise how the Council proposes to react to the changes. *The Chairman agreed that this request would be considered by the Business Planning Group.*

Date of Next Meeting

80. The Committee noted its next scheduled meeting will take place on Wednesday 22 November 2017. The meeting will commence at 1.00pm following the all Member budget session.

The meeting closed at 2.32pm.

Chairman.