

**Performance and Finance Select Committee**

4 December 2013 – At a meeting of the Select Committee held at 10.30 a.m. at County Hall, Chichester.

Present:	Mrs Urquhart (Chairman)	
Mr Burrett	Mrs Millson	Mr Waight
Mr Glennon	Mr Patel	Mr Watson
Ms James	Mr Rae	Mrs Whitehead
Mr Lamb	Mr R T Rogers	
Mr Metcalfe	Mr Turner	

In attendance by invitation: Ms Goldsmith (Leader), Mr Brown (Cabinet Member for Finance) and Mr Tyler (Chairman of Environmental and Community Services Select Committee).

**Part I**

**Declarations of Interest**

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

- Mrs Millson as a member of the Property Investment Panel in relation to the Proposed Purchase of Land for Investment and Strategic opportunity item and as a member of the Highways Executive Task and Finish Group in relation to the Future West Sussex Commissioning Intentions and Plans item.
- Mr Turner as a Pharmacist in relation to the Agreement to procure Enhanced Services 2013- General Practices and pharmacies November 2013 decision in the Forward Plan and as a member of the Highways Executive Task and Finish Group in relation to the Future West Sussex Commissioning Intentions and Plans item.

**Minutes**

92. Resolved – that the minutes of the Select Committee held on 6 November 2013 be approved as a correct record, and that they be signed by the Chairman.

**Future West Sussex Commissioning Intentions and Plans**

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

94. An updated Appendix 2 was tabled at the meeting that contained comments from the Children and Young People’s Services Select Committee (copy appended to the signed minutes).

95. The Director of Finance and Assurance introduced the report which updated the committee on the progress that had been made by the commissioning teams.

96. The Committee made comments including those that follow. It:
- Welcomed the report but felt that without the financial details it was difficult to scrutinise the current plans and queried if the intentions could be met from the budget. – *The Leader confirmed that the financial information on savings would be presented to County Council on 13 December where a full debate was expected. The draft budget is then expected to be considered at the January Select Committee meetings. The Cabinet Member for Finance confirmed that £100m savings will have been removed from the budget by March 2014. A further £141m is expected to need to be saved over the next four years. £61m is planned to be saved by March 2016 and the rest by 2017/18.*
  - Asked if all the required services are expected to be able to be delivered by the intended providers and queried the level of flexibility in the commissioning plan to ensure that changes to the plans would be possible if services are provided by external suppliers. – *The Director of Finance and Assurance confirmed that the plans had been based on what was available to ensure the plans were achievable and realistic and confirmed that the plans allowed flexibility to ensure necessary changes could be implemented.*
  - Questioned how the findings from the Independent Economic Review would be fed into the plans and how the economy would be supported. – *The Leader confirmed that the findings would be included and confirmed that the Coast to Capital Local Enterprise Partnership was going through the Strategic Plan with significant plans for the highways and transport projects including all of the main sections of the A27 that required improvement.*
  - Noted that the plans included intentions to establish new business parks and made a request that existing business parks also receive attention. – *The Leader confirmed that works had begun with Manor Royal in Crawley and further works were planned in Burgess Hill.*
  - Queried the scope of roads to be included in the unclassified roads project. – *The Leader confirmed that urban unclassified roads would be included and thanked the work of the Highways Executive Task and Finish Group. The Cabinet Member for Finance confirmed that the cost of borrowing £12m for the project was £1.2m per annum to the County Council. The improved road network resulting in less repairs required would balance this cost as it reduced pressure on the revenue budget.*
  - Raised concerns on collaboration with the National Health Service (NHS) on the correct distribution of responsibilities. – *The Leader confirmed that the County Council has a good relationship with the Clinical Commissioning Groups (CCG) that should help with this. The Cabinet Member for Finance confirmed that £16.5m is to come from the NHS in 2013/14 to help the County Council deliver its gained responsibilities.*
  - Encouraged collaborative work with the voluntary sector and stressed the need for the efficient payment of invoices. – *The Director of Finance and Assurance confirmed that this would be investigated.*
  - Suggested that some jargon should be removed from the plan and that the same outcomes should be grouped together for clarity. – *The Director of Finance and Assurance confirmed that the final document will be refined to reflect suggestions.*
97. Resolved – That the Commissioning Strategy be supported with the following recommendations:

- (1) That the backloading plan for savings is noted.
- (2) The Cabinet is asked to ensure that contracts remain flexible to ensure emerging needs are met.
- (3) The Cabinet is asked to ensure that concerns over NHS duties are investigated.
- (4) The Cabinet Member for Finance is asked to ensure that the approach taken with voluntary sector invoice payments is as fast as practicable.

### **Treasury Management - Mid Year Report**

98. The Committee considered a report by the Director of Finance and Assurance and Head of Corporate Finance (copy appended to the signed minutes).

99. The Cabinet Member for Finance introduced the report that provided the mid-year treasury position of the County Council.

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

- Queried the impact of the rise in internal borrowing. – *The Head of Corporate Finance confirmed that this was needed to achieve the capital programme. It was cheaper to borrow internally rather than externally therefore this decision was taken to reduce the external borrowing resulting in higher internal borrowing.*
- Queried what other borrowing options could be considered. – *The Director of Finance and Assurance explained that the favoured alternative was to monitor the LGA Bond Proposal as a potential future option.*
- Questioned if the payment received in respect of Heritable Bank was correct to be recorded in the investment income budget. – *The Head of Corporate Finance confirmed this was correct as the initial loss from Heritable Bank had been taken from the investment income.*
- Asked when the table in 2.3 had been received and if the data was correct. - *The Head of Corporate Finance confirmed that the data had been received within the quarter. The Cabinet Member for Finance agreed to investigate the figures.*

101. Resolved – That the:

- (1) Decision by Cabinet to refuse offers to purchase the County Council's Heritable Bank investment has proved to be a beneficial option.
- (2) LGA bond proposal be monitored as a potential future option.
- (3) Recording of Heritable Bank dividend figures be reviewed.

## Total Performance Monitor (TPM) to October 2013

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

103. The Cabinet Member for Finance introduced the report which set out the County Council's performance and risk position as at the end of October 2013. It was also confirmed that project managers were now using budget profile guidance to monitor the capital programme. This had moved away from a uniform monthly profile to one that is appropriate to the projects spend pattern. This would be included in future TPM reports and will make capital monitoring more accurate.

104. The Head of Human Resources tabled a short report outlining the staff vacancy levels and loss-time rates (copy appended to the signed minutes). The committee was informed that pilot projects for monitoring muscular skeletal, stress absences and flexible working were to begin in January and findings would be brought to the Business Planning Group (BPG) at the appropriate time.

105. The Cabinet Member for Finance also outlined the Worthing Age of Transfer project and confirmed that the Cabinet had been able to provide the funds to balance the budget as this was only partially funded by central Government.

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

- Noted that whilst most portfolios were under budget, the Community Wellbeing portfolio was on budget and Adults Social Care and Health portfolio was over budget. Concern was expressed about whether NHS money would be forthcoming to support the Adults budget - *The Director of Finance and Assurance confirmed that the CCGs were working with the Health and Wellbeing Board and have prioritised the Adults Social Care and Health budget position a priority to resolve. The Health and Adults Social Care Select Committee was asked to monitor the situation.*
- Noted that the money made available for the Worthing Age of Transfer project was seen as the maximum that the County Council could commit to.
- Queried the plan to change the way the Community Highway Volunteers (CHVs) measure is calculated. – *The Community & Economic Development Manager explained that the original measure was calculated against a large backlog of highway defects. The programme had seen a significant reduction in highway defects and so from December 2013 the measure is to be calculated against the percentage of enquires inspected by a CHV, which should realise savings for the Council. The programme was to be monitored carefully to investigate further and effective use of the CHVs and information on the location of current CHVs would be shared with members.*
- Raised concerns about the difficulties experienced with some existing contractors. - *The Director of Finance and Assurance confirmed that a strict approach was applied to working with contractors and that the framework agreements and contract letting procedures had been reviewed.*

- Queried why the cardio vascular health assessment programme was still on Amber. - *The Director of Finance and Assurance resolved to investigate this matter and update the committee.*

107. Resolved –

- (1) That the Monitor be noted.
- (2) The committee supports the measure change for CHV monitoring
- (3) That the financial and contracting elements of the Worthing Age of Transfer be considered by the BPG
- (4) Results of Human Resources pilot schemes to come to BPG

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

108. The Forward Plan of Key Decisions January – April 2014 was tabled at the meeting, as it had been published following the dispatch of the agenda (copy appended to the signed minutes).

109. The Forward Plan was noted.

### **Members' Items**

110. Members requested that the Future use of Community Infrastructure Levy (CIL) be considered by the BPG.

### **Date of Next Meeting**

111. The Committee noted that its next scheduled meeting will take place on 23 January 2014 at 10.30am at County Hall, Chichester.

### **Exclusion of Press and Public**

112. 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 ended at 2.25 p.m.

Chairman

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

### **Future Commissioning Plans to Support the Waste Strategy**

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

The Committee considered a verbal update by the Head of Law and Governance on developments regarding the Waste Strategy. Further updates would be provided as appropriate.

### **Proposed Purchase of Land for Investment and Strategic Opportunity**

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

The Committee considered a report by the Director of Finance and Assurance and Head of Capital and Infrastructure regarding a proposed land purchase for investment and strategic opportunity and supported the proposed approach.