

Performance and Finance Select Committee

16 April 2015 – At a meeting of the Select Committee held at 10.30 a.m. at County Hall, Chichester.

Present: Mrs Urquhart (Chairman)

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|-------------|---------------|-----------|
| Mr Burrett* | Mr McAra | Mr Tyler |
| Mrs Evans | Mrs Millson** | Mr Waight |
| Mr Glennon | Mr R Rogers | Mr Watson |
| Mrs Kitchen | Mr Turner | |

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

Apologies for absence were received from Ms James, Mr Lamb and Mr Metcalfe.

* Mr Burrett arrived at 10.45 a.m.

** Mrs Millson arrived at 10.47 a.m.

Part I

Declarations of Interest

1. None declared.

Part I Minutes of the Meeting held on 18 March

2. Resolved – that the Part I minutes of the Performance and Finance Select Committee held on 18 March 2015 be approved as a correct record, and that they be signed by the Chairman.

Part II Minutes of the Meeting held on 18 March

3. The Committee agreed that as they had no comments on the minutes it was not necessary to enter Part II to discuss their content.
4. Resolved – that the Part II minutes of the Performance and Finance Select Committee held on 18 March 2015 be approved as a correct record, and that they be signed by the Chairman.

Response to Recommendations

5. The Committee considered a response from the Leader regarding an update on the work being done with South East 7 (SE7) (copy appended to the signed minutes).

6. The Committee made comments including those that follow. It:
 - Commented on the importance of the SE7 to the economy and that the reported economic output for 2013 being 10% of the UK total seemed low. – *The Leader agreed that this could be improved and reported that work was being done to improve this figure; particularly in recording the work of small businesses.*
7. Resolved – That the Committee:
 - (1) Welcomes the response.
 - (2) Requests an update on the progress of work undertaken by South East 7 after its next meeting on the 15 May.

Appointment of Business Planning Group Members

8. Resolved – that the Committee appoints Mrs Urquhart (Ch), Mr Glennon Mrs Millson, Mr Turner and Mr Waight to its BPG.

Total Performance Monitor

9. The Committee considered a report by the Executive Director of Corporate Resources and Services (copy appended to the signed minutes).
10. The Cabinet Member for Finance introduced the report which set out the County Council's finance, performance and risk position as at the end of February 2015. It was confirmed that the next Total Performance Monitor (TPM) that would be reported to the Committee would be the report to show the position as at the end of 2014/15.
11. The Cabinet Member for Finance reported on the success of the Think Family programme and that the £400,000 underspend was to be moved from the Think Family budget to the Early Intervention Reserve to aid future work of the Think Family Programme. The Cabinet Member also reported that it was the intention to automate this particular movement of funds without a separate decision whilst continuing to report them in the TPM.
12. The Committee made comments including those that follow. It:
 - Raised concerns over the cost of Children Looked After (CLA) from outside the County to schools within the County. – *The Cabinet Member for Finance acknowledged the cost schools incur and explained that all allocations are made to ensure the best outcomes for the child. Allocations of West Sussex CLA to schools outside the County are also made when appropriate.*
 - Queried the reported growth in agency staff levels and asked if the majority were care workers. – *The Executive Director of Corporate Resources and Services explained that the County Council was undergoing a period of change and that the use of agency staff helped maintain the required level of service during this period. Agency staff were also used to meet the varying demands of the care sector due to the problems with recruitment. This was a national issue and West Sussex was working with other authorities to develop solutions. It was also reported that the Director Workforce,*

Organisational Development and Delivery Services was looking into analysis and models of agency usage, and that a report of this data would come to a future Committee meeting. The Committee discussed the use of agency staff and acknowledged that the flexible nature of the contracts was a positive and that as the County Council moved towards more commissioning the costs and outputs of the workforce would be more important to monitor than numbers of staff. It was also confirmed that the Children Young People's Services Select Committee had recently reviewed the workforce in relation to the Modernising Children's Social Care project.

- Sought clarity on the issue of training in the care sector and whether it was adequate. – *The Leader reported that there was a good level of training and that the problems were due to the current volatility of the market.*
- Asked why workforce projections would not be created. – *The Leader explained that the County Council was going through many changes and so it would be inappropriate to monitor the levels when peaks and troughs were expected. In addition, it was more important to monitor performance and finance rather than headcount.*
- Queried the delays reported for the Parking Meters scheme. – *The Executive Director of Corporate Resources and Services resolved to circulate details of the scheme to members of the Committee.*

13. Resolved –

- (1) That the Monitor be noted.
- (2) That the Committee supports the proposal to automate the movement of Think Family underspend to the Early Intervention Reserve.

Further Development of the Total Performance Monitor

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

15. The Cabinet Member for Finance introduced the report and explained the plans to improve the Total Performance Monitor (TPM). Plans included more corporate health indicators including financial indicators to monitor the 'health' of the County Council.

16. The Chairman of the Executive Task and Finish Group that looked at the format of the TPM in 2014 was invited to talk through the proposals to the Committee. It was felt that more graphics and less text would make the TPM easier to follow and would make identifying issues easier.

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

- Sought confirmation that data would not be edited by the Cabinet before the report was published and that the TPM would report both good and bad information. – *The Leader confirmed the TPM would not be censored and would continue to report all information.*
- Asked whether figures reporting cash flow could be included as one of the financial health indicators. – *The Cabinet Member for Finance confirmed that this could be considered.*

- Asked if the TPM could begin to report works that had been done, particularly relating to highways. – *The Cabinet Member for Finance raised concerns about adding too much dialogue to the report, but agreed it could potentially include links to other documents that could report completed works. The Leader confirmed that the report could evolve to suit demands as necessary if the information was easily available.*

18. Resolved – That the Committee welcomes the planned improvements to the TPM.

Members' Big Society Fund – Annual Review

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

20. The Cabinet Member for Finance introduced the report and reported that the fund was working well and helping members to support projects in West Sussex.

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

- Requested simpler guidance to help applicants understand Value-added Tax (VAT) implications on applications. – *The Executive Director of Corporate Resources and Services agreed to simplify VAT guidance.*
- Questioned the level of additional dialogue members should include with their applications and suggested including an order of preference/priority when submitting multiple applications. – *The Cabinet Member for Finance felt that additional dialogue, such as a written paragraph explaining the context and importance of the application to the community, would be helpful and welcomed in all applications not just those containing multiple applications. The Cabinet Member for Finance also welcomed the suggestion about providing a grading mechanism for multiple applications.*
- Queried ways in which the fund could be increased due to its popularity. – *The Leader felt that portfolio underspend would not be appropriate to top up the fund as it was more prudent to keep any underspend in reserves for emergencies. The Committee discussed the idea of using any underspend in Community Initiative Funds (CIF) to top up the fund. The Committee generally agreed that CIF should not be used to top up the fund, but that each County Local Committee should be able to consider transferring any CIF underspend to the fund if it wished.*
- Asked what happens to the money if a part funded project fails due to funding not being received from other sources. – *The Cabinet Member for Finance confirmed that if a project fails, the funds were returned. POST MEETING CLARIFICATION – Funds are only returned if money is not spent as intended and as outlined in the application. This may affect part-funded projects if the full resources required are not attained to support the project and the money cannot be spent as intended. There is not a requirement to return awards where the money has been spent as intended but the project eventually fails. There is also a contractual undertaking to spend the money as intended on the form sent to successful awardees to sign when submitting bank details for payment.*

- Questioned if applicants receive guidance on other sources of funding at either the time of applying or if their application is unsuccessful. – *The Community Solutions Manager reported that applicants were informed of other avenues of funding throughout the process. Applicants were encouraged to apply to different funding providers simultaneously to optimise their chances of alternative funding.*
- Queried the controls in place to ensure projects do not receive duplicate funding from more than one source. - *The Community Solutions Manager confirmed that there is a section on the application where applicants were required to declare other potential and confirmed funding applications.*
- Queried the level of publicity Members should engage for successful applications. – *The Cabinet Member for Finance supported the need to celebrate and advertise successes and explained that after the decision has been published, Members are informed of successful applications so that they can give the news to the applicants. Following the Call-In process, Members should speak to the Communications team to arrange promotional materials. The Leader agreed to speak to the Communications team to make them aware of the intended take up of publicity materials for the fund.*

22. Resolved – That the Committee:

- (1) Support the good work of the fund.
- (2) Requests simpler guidance on VAT implications.
- (3) Asks Officers to consider adapting the application form to request that Members add additional dialogue to support their application and to include a priority rating when submitting multiple applications.
- (4) Recommends that consideration be given to CLCs to have the freedom to transfer unspent CIF funds to the Members' Big Society Fund.
- (5) Requested that the details of the fund be included as part of the induction process for new Members.
- (6) Continues to receive an Annual Report of the fund which is also circulated to all Members.

Design and Build Framework and Professional Services Contract

23. At the 18 March Committee meeting, an Urgent Matter was raised regarding the decision around the procurement arrangements in relation to the contract. The Committee requested further information on the details of the Contract.

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

25. The Improvements Team Manager introduced the report which included a copy of the decision report and information regarding lessons that had been learnt from previous procurement exercises.

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

- Sought reassurance that satisfactory project management skills would be available to manage and monitor the works associated with the contract. - *The Improvements Team Manager explained that Project Managers of the necessary calibre would be hired externally to oversee the delivery of the contract. External advice would also be sought to ensure that value for money was achieved within the contract. The Director of Highways and Transport also confirmed that knowledge transfer would take place between consultants and internal staff.*
- Queried the South East 7 involvement with the contract. – *The Principal Manager informed the Committee that South East 7 colleagues had been invited to participate in the contract. Hampshire County Council had confirmed that they would be procuring their own contract, but the other Councils would be able to utilise an access agreement to make use of the contract framework.*
- Asked if the contract would be using local companies. – *The Principal Manager explained that the smaller schemes within the contract will make use of smaller, local companies; rather than larger companies using subcontractors.*
- Queried the evaluation criteria that would be used to analyse tender bids. – *The Principal Manager explained that the criteria would include elements such as previous experience, knowledge base, quality and costs.*
- Asked why the Professional Services Provider was a 6 year term. – *The Principal Manager clarified that this was not a 6 year obligation, more stating that the contract was open for 6 years.*

27. Resolved – That the Committee:

- (1) Was satisfied with the procurement arrangements.
- (2) Make use of 3 June workshop for members on Commissioning to consider the Member role in commissioning and ways of ensuring future commissioning items are scrutinised more effectively.

Multi-Disciplinary Care and Clinical Governance Team

28. The Committee considered a report by the Head of Contracts and Performance (copy appended to the signed minutes).

29. The Contract Manager – Adults introduced the report and explained the aims of the new team and the reason for its creation.

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

- Queried the main focus of the team and what factors had been identified as the reason for the closure of care homes. – *The Contract Manager – Adults explained that the care market was an increasingly volatile market and that demand for care had, and would continue, to increase. New demands were also being placed on the Authority under the Care Act to ensure the quantity and quality of care matched demand. The team would therefore be focussing on vulnerable businesses in order to prevent the closure of homes. It was reported that some homes were closing due to the sale of the property for*

development purposes and that the team was aiming to support homes struggling for other reasons.

- Sought clarity over the training the County Council offered in the sector. – *The Contract Manager – Adults explained that the County Council had always offered training and that this would not change.*
- Asked if the County Council would consider offering capital loans to help struggling homes. – *The Leader explained that it was hoped that the team's intervention would provide adequate support to struggling homes. Loans would not be offered but an option could be for the County Council to buy the homes and run them as an operational landlord.*
- Queried if support was offered to new homes as well as those already established. – *The Contract Manager – Adults explained that there was a good relationship with the District and Borough Councils and the regulators of care provision who helped raise awareness of potential new homes identified through the planning process therefore support could be offered at an early stage. Early contact could therefore be made with providers which could help influence how a business was established.*
- Asked if the required knowledge and skills to provide this level of support were already available in-house and whether the team would consider generating income via consultancy in the future. – *The Contract Manager – Adults confirmed that the knowledge was in-house and that external hiring was not required. It was confirmed that there would not be any consultancy fees charged initially, but it was something that could be considered in a future model. The Contracts Manager – Adults agreed to circulate details on staff resources to members of the Committee.*
- Requested that key worker housing could be considered within PropCo developments.

31. Resolved – That the Committee:

- (1) Requests a report in a year to check the impact of the team
- (2) Requests that the team continue to consider innovative ways to protect the market and help the sustainability of care homes.

Forward Plan of Key Decisions

32. The Committee considered the Forward Plan of Key Decisions May – August 2015 (copy appended to the signed minutes).

33. The Forward Plan was noted.

Possible Items for Future Scrutiny

34. Members queried the Broadband project and requested an update. The Chairman of the Environmental and Community Services Select Committee confirmed that the project was on their work programme to monitor. The committee suggested that CLC seminars could be an effective method of keeping Members updated.

Date of Next Meeting

35. The Committee noted that its next scheduled meeting will take place on 15 May 2015 at 10.30am at County Hall, Chichester.

Exclusion of Press and Public

36. 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.

Part II

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

The Business case for the County Council to directly develop houses at Yapton Road, Barnham (PropCo)

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

The Committee considered the business case for the direct development of land at Yapton Road, Barnham.

Resolved –

- (1) That the Committee supports the business case presented.
- (2) Requests that consideration is given to the allowance of key worker housing within the estate – as per minute 30.

The meeting closed at 1.36 p.m.

Chairman.