

**Performance and Finance Select Committee**

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

Present:	Mrs Urquhart (Chairman)	
Mr Cloake	Mr Metcalfe	Mr Turner
Ms James	Mrs Millson	Mr Tyler
Mrs Kitchen	Mr Montyn**	Mr Waight*
Mr Lamb***	Mr R Rogers	Mr Watson

In attendance by invitation: Ms Goldsmith (Leader).

Apologies for absence were received from Mr Glennon and Mr McAra.

- \* Mr Waight arrived at 10.47 a.m.
- \*\* Mr Montyn arrived at 11.05 a.m.
- \*\*\* Mr Lamb arrived at 11.57 a.m.

**Declarations of Interest**

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

- Mrs Millson as a member of the PropCo Panel in relation to the Propco Policy item and as a member of the IT Working Party in relation to the IT Strategy item.
- Mr Tyler as a member of the IT Working Party in relation to the IT Strategy item.
- Mrs Urquhart as an invited observer to the Executive Democratic Services Savings Task and Finish Group (TFG) in relation to the Democratic Services Savings Proposals item.
- Mr Waight as a Worthing Borough Council member in relation to the IT Strategy item.

29. In accordance with the code of conduct, the following prejudicial interests were declared:

- Ms James, Mr Rogers and Mr Tyler as members of the Executive Democratic Services Savings TFG in relation to the Democratic Services Savings Proposals item.

30. The Senior Advisor confirmed that the Monitoring Officer had granted a dispensation to members of the Executive Democratic Services Savings TFG given (a) the issue relates to a matter of direct interest to all members and (b) members are affected cross party. These members could therefore remain in the meeting and participate in the discussion.

**Part I Minutes of the meeting held on 20 May**

31. Resolved – that the minutes of the Performance and Finance Select Committee held on 20 May 2016 be approved as a correct record, and that they be signed by the Chairman.

## **Part II Minutes of the meeting held on 20 May**

32. The Committee agreed that as they had no comments on the minutes it was not necessary to enter Part II to discuss their content.
33. Resolved – that the Part II minutes of the Performance and Finance Select Committee held on 20 May 2016 be approved as a correct record, and that they be signed by the Chairman.

### **Response to Recommendations**

34. The Committee considered a response from the Chairman of the Children and Young People's Services Select Committee (CYPSSC) in relation to the Committee's request for the Committee to review the overspend in the Children Looked After Budget (copy appended to the signed minutes).
35. The Committee queried the work that was being undertaken to address the rising costs and requested more detail. – *The Chairman of CYPSSC explained that an improved service identified more issues to address, which therefore led to an increase in costs. Increased costs have also resulted from more children having complex needs and a shortage of foster carers. It was explained that there was no short term solution but reassurance was given that the Social Work Academy was beginning to bring successes which would help with future recruitment issues. The Executive Director Corporate Resources and Services agreed to send a briefing note of the actions being taken to the members of the Committee.*

### **IT Strategy**

36. The Committee considered a report by the Executive Director Corporate Resources and Services and the Director Workforce, Organisation Development and Delivery Support (copy appended to the signed minutes).
37. The Cabinet Member for Corporate Relations introduced the report and thanked the team for their hard work in creating the strategy. It was explained that the strategy would help platforms interface correctly.
38. The Director Workforce, Organisation Development and Delivery Support explained that the strategy was the right direction of travel for the authority in order to future proof the IT system.
39. The Chief Information Officer introduced the report and showed a presentation slide to summarise the key parts of the strategy (copy appended to the signed minutes). The strategy would seek to ensure that IT was not viewed as a constraint on progress and would support the different methods of working within the County Council. Systems would become cloud based which would reduce the reliance on expensive servers.

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

- Queried if the strategy would ensure compatibility with partners that the County Council worked with. – *The Chief Information Officer confirmed that the strategy would comply with the open standards principle which would ensure the necessary compliance. Partners would be expected to comply with the open standards requirements but exceptions may have to be made for smaller partner organisations. The requirements of the standard would be written into tender documentation.*
- Asked if the strategy would improve scenarios such as allowing the reporting of traffic light issues via email and reducing the 10 week delay new users experienced for Frameworki access. – *The Chief Information Officer speculated that the described scenarios sounded like process issues rather an IT related. The strategy would seek to remove IT barriers and excuses from the system.*
- Sought reassurance on data security and if the cloud based working would lead to data being held in America. - *The Chief Information Officer confirmed that data would be held in accord with the requirements of the Data Protection Act, other relevant regulation and the Council's own standards-based information security requirements. This will include a requirement that personal data is not stored outside of the EU or UK as required by the Data Protection Act.*
- Asked if a visual representation of the strategy could be made available to show the use of packages across directorates. - *The Chief Information Officer confirmed that directors would remain responsible for business systems oversight and agreed to circulate a pictorial representation to the Committee.*
- Queried if the server's speed would be adequate for a cloud based system. - *The Chief Information Officer explained that Service Level Agreements were in place to ensure Key Performance Indicators (KPIs) gave clear expectations on server speeds. The IT helpdesk distinguished reports on server speeds between isolated user issues and wider faults. There were currently no issues flagged that related to a wider problem with server speeds. The Cabinet Member for Corporate Relations proposed looking into the agreements for IT architecture in order to strengthen performance information within the strategy.*
- Queried the availability of freeware alternatives. - *The Chief Information Officer confirmed that whilst freeware options were available and that the Council already used some examples of these, they should be evaluated alongside licenced products so that total cost of ownership of each could be understood. In relation to Office365, The IT strategy had been written so that it allowed consideration of other products following an assessment of functionality, risk and cost.*
- Commented on Worthing Borough Council's IT system which used cloud based systems already and so queried if the proposed IT Strategy was creating systems that already existed. - *The Chief Information Officer explained that Adur and Worthing Councils used a Google based approach that could not be directly compared with the requirements of the Council, for example the system did not include a telephony system.*

- Queried the costs involved and how long the proposal would be considered sustainable. - *The Chief Information Officer explained that the report contained details of the one off costs and confirmed that the strategy would not be purchasing capital assets; it would be purchasing subscriptions. The cloud based proposal should maintain sustainability as it would be continually updated as part of the subscription. Indicative costs for any customisation of the products had been factored into the strategy.*
- Asked for details on the impact of a security breach. - *The Chief Information Officer explained that when a breach occurred, recovery was the main focus. Many of the County Council systems were replicated on servers in Horsham which could be brought online in an emergency with minimal functionality reduction.*
- Queried if the strategy would combine with the capital proposals for the Customer Experience Programme. – *The Executive Director Corporate Resources and Services confirmed that the two projects were separate.*
- The Chief Information Officer confirmed that the relationship with Capita and any future partners would need to be planned for.

41. Resolved – That the Committee

- (1) Supports the direction of travel outlined in the strategy.
- (2) Welcomes improved partnership working and open platforms.
- (3) Seeks assurance on security and data remaining in the UK.
- (4) Requests details of the disaster recovery policy.
- (5) Requests that KPIs are strengthened.
- (6) Asks that freeware alternatives be considered where appropriate.

### **Approach to Strategic Estate Planning and Investment: Selective Acquisition and Development Strategy (The Propco Policy)**

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

43. The Leader introduced the report and explained to the Committee that Internal Audit had identified that the Propco Policy had not been formally adopted. Officers had therefore taken the opportunity to review the content of the policy and present for scrutiny before it was implemented.

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

- Queried if the diagram showing how projects were identified (figure 3) related to specific sites. – *The Executive Director Corporate Resources and Services explained that the diagram was illustrative and showed that high benefit and easy to deliver projects would be prioritised. The Propco Panel monitored projects in the pipeline to identify which ones should be prioritised.*

- Noted the slow progress in the development of sites with four houses being built since the inception of Propco and queried if the County Council has received strong enough planning advice. – *The Leader responded that patience was required for the property market.*
- Asked if Propco was only able to invest within West Sussex. – *The Executive Director Corporate Resources and Services explained that the County Council could choose the area of investment that would be best for the economy which could be outside West Sussex if appropriate.*
- Sought confirmation that members would be involved if governance arrangements were shortened as outlined in the report. – *The Leader explained that processes would be flexed to ensure member involvement, such as the member engagement that took place for the Novartis project.*
- Queried if it was possible to monitor Propco's impact on Gross value added (GVA). – *The Leader reported that this was something that could be monitored when projects were completed.*

45. Resolved – That the Committee supports the proposed Propco Policy.

### **Democratic Services Savings Proposals**

46. The Committee considered a report by the Executive Director Corporate Resources and Services and Director of Law, Assurance and Strategy (copy appended to the signed minutes).

47. The Cabinet Member for Corporate Relations introduced the report and updated the Committee on the findings of the Executive Democratic Services Savings TFG. The proposals included the reduction of County Local Committees (CLC) from fourteen to eleven and a reduction in the frequency of meetings, reducing Community Initiative Funding (CIF) and the removal of staff posts within Democratic Services. The Cabinet Member for Corporate Relations informed the Committee that he would be consulting with parish and town councils that were affected by the proposed CLC changes.

48. The Cabinet Member for Corporate Relations outlined the comments he had received from the Chairmen of the Planning Committee and the Rights of Way Committee that did not support the combining of the Chairmen's role due to the different skills sets required by the different roles.

49. Comments had also been received from a CLC Chairman which did not support the proposed changes to merge certain CLCs and reduce the frequency of meetings from four to three per annum.

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

- Queried a change in the figures from the proposals presented to the TFG to those outlined in the Committee report. – *The Cabinet Member for Corporate Relations explained that the change rectified an error in the figures presented to the TFG. The Cabinet Member confirmed that the same total savings amount would be realised, but more savings would be made in year one.*
- Welcomed the fact that the proposals did not include changes to scrutiny arrangements.

- Asked if Democratic Services could permanently sustain the loss of the proposed two staff posts. – *The Head of Democratic Services confirmed that the Senior Advisor post had been vacant for a while and the workload had been successfully absorbed into the unit in the short term. In the longer term the Team would have to stop supporting certain aspects of work. The removal of the second post would need to be considered and could lead to a reduction in support for non-critical meetings, a cap on TFGs and reduced support to Executive TFGs.*
- Discussed the reduction in CIF and whether the criteria should be reviewed following the proposed reduction. – *The Cabinet Member for Corporate Relations reported that the criteria had recently been considered and reminded the Committee that the power to grant funds was the CLCs' who could administer their allocation at their own discretion.*
- Commented on the knock-on effect of the changes on other services, whether the role of Members needed to change and whether more member time should be spent on decision-making at full Council rather than attending scrutiny committees. Also commented on whether CIF should be removed entirely and spent on services.  
Commented on the increasing workload of members and recognised that the work of Democratic Services officers enabled members to do their jobs effectively. Queried whether the reduction in CLCs was appropriate as they enabled residents to get involved in the democratic process.
- Queried the issue that soon developers would be able to choose who dealt with planning applications and if the proposals were ready for this. – *The Leader confirmed that there were no immediate changes that needed to be considered.*

51. The Committee agreed with the principles of the proposals but raised concerns on the implications on the reduction in Democratic Services staff. The Committee supported the proposals for CLCs but queried whether CIF criteria needed amending.

52. The Leader requested that recognition for the hard work of Democratic Services was formally recorded.

53. Resolved – That the Committee:

- (1) Endorses the proposed savings for the Democratic Services budget.
- (2) Endorses the reduction in CLCs from fourteen to eleven from 2017/18, subject to consultation with affected County Councillors and district, borough, town and parish councils.
- (3) Endorses the reduction in the number of CLCs held per annum from four to three from 2017/18.
- (4) Endorses the in year (2016/17) reduction of CIF by £71,000.
- (5) Endorses the reduction of CIF by a further £71,000 in 2017/18 by a majority vote.

- (6) Endorses other non-staffing budget lines to be reduced from 2016/17 including underspends in the Chairman's Fund and Member Training Budgets. The Committee also agree to the consideration of four-year budgeting for the Chairman's Fund and member training.
- (7) Endorses the removal of two permanent staff posts, one in-year (2016/17), the other in 2017/18, pending further work to explore opportunities to remove/reduce Democratic Services support to a number of non-critical meetings.
- (8) Endorsed the proposal for a single Chairman for Planning and Rights of Way Committees from 2017/18 by a majority vote.

### **Members Big Society Fund – Annual Review 2015-16**

54. The Committee considered a report by the Executive Director Corporate Resources and Services and the Principal Manager Community Safety and Wellbeing (copy appended to the signed minutes).

55. The Principal Manager Community Safety and Wellbeing spoke through a presentation (Appendix C) which summarised the allocations for 2015/16 and the review of grant funding.

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

- Queried the rationale for the approval of some grants over others and requested a clearer explanation on why a bid was rejected. – *The Principal Manager Community Safety and Wellbeing indicated that transparency around decisions to allocate funding had been a theme captured within the review. The refreshed application forms would include additional narrative to explain the project aims and reason for the bid in order to understand the context and impact of the request. Members commented that applications for 'member only' institutions should be carefully considered with regard to their impact on the wider community.*
- Sought clarity on how the new application forms would be changed to reflect the identified gap of information in respect of the impact and outcomes to be achieved. – *The Principal Manager Community Safety and Wellbeing explained that the proposal was to reorganise some of the technical information on the form and balance it with more questions to understand what the project would deliver, who would benefit and the intended impact of the project.*
- Asked how the funding fitted with the County Council priorities and core purpose. - *The Principal Manager Community Safety and Wellbeing confirmed that part of the review work would be to align projects to County Council priorities. This would be reflected more strongly in the revised application form.*
- Queried the rules on resubmitting applications. - *The Principal Manager Community Safety and Wellbeing explained there were currently no fixed rules on resubmissions. Members commented that failed applications should not be automatically resubmitted if the original bid failed to meet the criteria of the Fund.*

- Sought clarity on VAT registration implications and whether the County Council could purchase items on behalf of applicants. - *The Principal Manager Community Safety and Wellbeing commented that this was something that could be considered going forwards.*
- Members requested a tighter process for the evaluation of bids.

57. The Committee welcomed the review of the grants process and supported the need for improved criteria which was outcome focussed. It was important to ensure value for money for the tax payer.

58. Resolved – That the Committee:

- (1) Supports the building of relationships with previously funded projects.
- (2) Supports the principles of the Cabinet Board commissioned review of the Members' Big Society Fund.

### **Annual Scrutiny Performance 2015-16**

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

60. The Head of Democratic Services introduced the report and sought comments on scrutiny performance from the Committee.

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

- Commented that not all members may be aware of the newsletter and that it should also be published on the Members' Information Network (The Mine).
- Praised the 100% positive rating for Democratic Services support, but felt more work was required with regard to input into policy development. – *The Head of Democratic Services felt this was an area that could be investigated to see if earlier involvement was needed.*
- Felt that the total number of recommendations should be added to Table A of the scrutiny newsletter.
- Felt the option for Joint Scrutiny with district and borough councils was a useful mechanism to have in place.
- Commented that more external witnesses should be used where possible.
- Queried if more public relations should be encouraged, such as articles in Connections. – *The Head of Democratic Services agreed this could be considered if there was public interest in a particular issue.*
- Welcomed the regular attendance of the Leader and Cabinet Members at Select Committee meetings and praised the non-political scrutiny that took place.

62. Resolved – That the Committee:

- (1) Requests an investigation into how scrutiny members could have greater involvement in policy development.

### **Possible Items for Future Scrutiny**

63. The Committee requested a briefing on the impact of the EU referendum outcome for the County Council.

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

64. The Committee considered the Forward Plan of Key Decisions July – October 2016 (copy appended to the signed minutes).

65. The Forward Plan was noted.

### **Date of Next Meeting**

66. The Committee noted that its next scheduled meeting will take place on 30 September 2016 at 10.30am at County Hall, Chichester.

67. The Committee was informed by the Chairman that 9 September was a Committee project day. Members would be informed if the date needed to be used for a formal Committee meeting.

The meeting closed at 2.12 p.m.

Chairman.