

**Minutes of a meeting of Scrutiny Committee for Leader, Finance
and Performance
held on Wednesday, 13th January, 2021
from 5.00 - 6.29 pm**

Present: J Knight (Chair)
M Pulfer (Vice-Chair)

| | | |
|--------------|------------|-------------|
| A Bennett | A Eves | L Stockwell |
| H Brunsdon | S Hicks | C Trumble |
| R Cartwright | R Jackson | R Whittaker |
| P Coote | Andrew Lea | |
| R Cromie | C Phillips | |

Also Present as Cabinet Member as Councillors J Ash-Edwards and J Llewellyn-Burke

Also Present: Councillors R de Mierre, I Gibson, S Hatton, J Henwood, A MacNaughton and N Webster

1 ROLL CALL AND VIRTUAL MEETINGS EXPLANATION.

The Chairman carried out a roll call to establish attendance at the meeting. The Solicitor to the Council provided information on the format of the virtual meeting.

2 TO NOTE SUBSTITUTES IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 4 - SUBSTITUTES AT MEETINGS OF COMMITTEES ETC.

None.

3 TO RECEIVE APOLOGIES FOR ABSENCE.

None.

4 TO RECEIVE DECLARATIONS OF INTERESTS FROM MEMBERS IN RESPECT OF ANY MATTER ON THE AGENDA.

In relation to any discussion concerning West Sussex County Council, Councillor Andrew Lea declared that he is a West Sussex County Councillor.

5 TO CONFIRM THE MINUTES OF THE MEETING HELD ON 11 NOVEMBER 2020.

The minutes of the meeting held on 11 November 2020 were agreed as a correct record and electronically signed by the Chairman.

6 TO CONSIDER ANY ITEMS THAT THE CHAIRMAN AGREES TO TAKE AS URGENT BUSINESS.

The Chairman acknowledged that he had received a question related to Clair Hall, however it would not be considered at this meeting. The information requested was not available at short notice, and Clair Hall falls under the business of the Scrutiny Committee for Community and Customer Services.

7 DRAFT CORPORATE PLAN AND BUDGET 2021-22.

The Chairman thanked Members for submitting detailed questions in advance, and confirmed that responses have been provided. He reminded Members that in consideration of the Corporate Plan and Budget, the Council's key priorities should be the main focus.

The Leader provided an introduction, noting that the Council was in the unusual position of having recently agreed a revised Corporate Plan in September, due to the impact of the pandemic. He noted that the new draft Corporate Plan is a continuation of the priorities and workstreams recently agreed and is based on using the Council's reserves to underpin the provision of services. He noted that this was not a sustainable position and in the medium term there is a need to bring the budget back into balance and rebuild the reserves. One step is to increase Council Tax, not just to put the Council's funding into a secure position, but to safeguard the services that can be delivered to residents and businesses.

Kathryn Hall, Chief Executive reiterated the financial pressures faced by the Council as a result of the pandemic. She noted that the report being considered by the Committee has been updated to include the provisional settlement, but that the situation nationally changes quickly, and the report does not take into consideration the effects of the recent restrictions announced in January.

Members discussed the need for the Council to be actively commercial, noting that the Minister recently commented on the need for Local Authorities to change their methods of investment. It was noted that this Council is not highly leveraged, and investments have often been in areas where there is a synergy with the Council's existing interests. It was acknowledged that there is a need to generate a diverse source of revenue but to also balance the risks and benefits of this. A number of Members supported this approach.

Discussion was held on whether the Corporate Plan and Budget was resilient in the face of unforeseeable changes. It was noted that the Council entered the pandemic in a strong financial position which is key to being agile in responding to the needs of residents and the pressures put on by Government. The Leader noted that the financial income support scheme that Government put in place for Local Authorities also responds in an agile fashion and covers 75% of some areas of lost revenue. As it is backdated to the first quarter of the financial year, this will assist.

Members discussed the position of the reserves, noting that the budget was drawn up prior to the recent further closure of the Leisure Centres, which is an ongoing pressure on the Council's finances. Peter Stuart, Head of Corporate Resources noted that the budget proposal is for 4 years, however it is very hard in the current climate to project that far ahead, and figures will change. Although allowance has not been made for further costs related to centre closures, allowance has been made for a reduction in income. Similarly, capital programme costs will be a draw on reserves but have only been projected for one year as any further ahead is unknown. He did however note that funds and subsidies will continue to come in. Members reiterated the importance of being actively commercial, and that council tax is major part of income both for the continuation of services and to boost the reserves.

Discussion was held around the implementation of the job evaluation scheme which should hopefully fall into 2021/22, and financial provision has been made for this. A Member raised the issue of the climate emergency and the omission of focus on this in the Corporate Plan, particular around how the Council will reduce carbon emissions. A Member also queried the insurance services that the Council use, and it was confirmed that these are value for money, and more beneficial than employing in-house provision.

A Member queried the savings from the efficiency programme and whether there were any cost savings in the new ways that staff are working. The Chief Executive noted that identified efficiencies are around using technology to assist the public, and therefore aren't cashable savings. The Council has agreed efficiency and service redesign work, which will begin in 2021/22 with the aim to achieve cashable savings of around £250k from that workstream.

The impact of the end of furlough and economic downturn was discussed and it was noted that the Council had responded well with grants to support businesses during difficult times. A Member queried if the Corporate Plan afforded the flexibility to research the economic downturn affecting small businesses. The Leader acknowledged that the Council continues to run Government and discretionary grant schemes for businesses, as well as issuing Covid Recovery funds, and in the longer term has projects such as the full fibre installation which is important in assisting the District's economy to recover.

Members discussed the Service Plans and Summary Budget Plans, with the Head of Service for each area providing a summary introduction.

Judy Holmes, Assistant Chief Executive gave credit to the Business Units who have responded and continue to perform well in response to the demands placed by the pandemic. She highlighted that contractors have responded well with affordable housing coming on stream, and the majority of rough sleepers have been found accommodation. The impact of Leisure Centre closures was acknowledged particularly in terms of a difficulty in predicting income going forward.

The Head of Corporate Resources commended the Revenues and Benefits department as the service has been exemplary in providing grants. He also noted key areas of modernisation that are planned both within the Council and the District, as well as the ongoing management of Council owned assets.

Members acknowledged the positive work around site allocations and the Burgess Hill Growth Programme and welcomed the developments with the Place and Connectivity programme. It was acknowledged that parking income is significantly reduced this year, but projected to be better next year. Members put forward suggestions for other possible income streams such as charging double council tax for empty properties. Discussion was also held on the need to promote recycling, and to consider the services that the Leisure Centres can offer to meet changing need. The sustainable economic development strategy was raised, and an update will be provided at the next meeting.

Rafal Hejne, Interim Head of Digital and Customer Services noted that business units had mobilised effectively to new working methods and work will continue to build on investment in technology and people, to maximise how the Council can deliver its services. He clarified that the people strategy and workforce plan was centred around succession planning and developing and supporting the staff. A Member

commended the Customer Services and Communications service area for its effective handling of a volume of enquiries. A Member raised the need to include users of online forms in the assessment of customer feedback rather than only people who contact the Council by phone.

Tom Clark, Head of Regulatory Services noted the impact of the pandemic on the increased workload for the Environmental Health, Land Charges and Building Control teams, and the forthcoming focus of Democratic Services in implementing a Governance review and facilitating elections in a Covid-secure manner. It was noted that the elections are paid for externally and so the budgeted amount is appropriate.

Members discussed the Capital Programme, particularly around sustainability. The Head of Corporate Resources confirmed that the Council strikes a balance between environmental efficiencies and value for money in terms of items such as heating and windows.

The Chairman took Members to a vote on the recommendation contained in the report, which was agreed with 10 in favour, 1 against and 4 abstentions.

| Councillor | Yes | No | Abstain |
|------------------------------|-----|----|---------|
| Bennett, A | | | y |
| Brunsdon, H | y | | |
| Cartwright, R | | | y |
| Coote, P | y | | |
| Cromie, R | y | | |
| Eves, A | | y | |
| Hicks, S | | | y |
| Jackson, R | | | y |
| Knight, J (Chairman) | y | | |
| Lea, Andrew | y | | |
| Phillips, C | y | | |
| Pulfer, M (Vice Chairman) | y | | |
| Stockwell, L | y | | |
| Trumble, C | y | | |
| Whittaker, R | y | | |

RESOLVED

The Committee considered the proposals for 2021/22 set out in the report and agreed any comments or recommendations that it wishes to make to Cabinet on:

- (a) The financial outlook facing the Council given the extent of the Covid-19 pandemic;
- (b) The proposed increase in Council Tax;
- (c) The strategy to use General Reserve to balance the budget over the short term;
- (d) The proposed Capital Programme; and

(e) The service commentaries and supporting summary budget tables for each business unit.

8 SCRUTINY COMMITTEE FOR LEADER FINANCE AND PERFORMANCE WORK PROGRAMME 2020-21.

Tom Clark, Head of Regulatory Services introduced the report, noting the 2 items to be discussed at the meeting in March.

The Chairman took Members to the recommendation contained in the report which was agreed unanimously.

RESOLVED

The Committee agreed the indicative Work Programme as set out at paragraph 5 of the report.

9 QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 10.2 DUE NOTICE OF WHICH HAS BEEN GIVEN.

None.

The meeting finished at 6.29 pm

Chairman