

**Minutes of the meeting of the Scrutiny Committee for Leader,
Finance and Performance on 26 August 2020
from 4:00 p.m. to 6:19 p.m.**

Present:

Alison Bennett
Heidi Brunsdon
Roger Cartwright
Phillip Coote*
Rachel Cromie*
Anne Eves*
Simon Hicks
Rodney Jackson
John Dabell

Jim Knight
Andrew Lea
Chris Phillips
Mike Pulfer
Lin Stockwell
Colin Trumble
Rex Whittaker
Anne Boutrup
Paul Brown

* Absent

Also present : Cllrs Chapman, Clarke, de Mierre, Gibson, Hatton, Henwood, MacNaughton and Webster.

Also present (as Cabinet Member): Cllr Ash-Edwards and Cllr Llewellyn-Burke.

1. ROLL CALL AND VIRTUAL MEETING 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.**

Councillor Brown substituted for Councillor Eves, Councillor Dabell substituted for Councillor Cromie and Councillor Boutrup substituted for Councillor Coote.

3. TO RECEIVE APOLOGIES FOR ABSENCE.

Apologies were received from Councillors Coote, Cromie and Eves.

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

Councillor Heidi Brunsdon and Councillor Andrew Lea declared an interest in Item 7 as they are Members of West Sussex County Council.

5. TO CONFIRM THE MINUTES OF THE MEETINGS HELD ON 17 JUNE 2020.

The minutes of the meeting held on 17 June 2019 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.**

None.

7. REVISED CORPORATE PLAN 2020/21.

The Chairman noted the effect of the pandemic on the residents of Mid Sussex. He highlighted that through sound budget management the Council was in a better position than some other councils.

Kathryn Hall, Chief Executive introduced the report and noted that it is unprecedented to revise the Corporate Plan and Budget during the financial year. She highlighted the four main impacts of the pandemic: additional duties were placed on the Council by the Government as a direct result of the pandemic and these had not been planned for; there had been noticeable change in service demand, an unanticipated shift in how residents access the Council's services, and significant impact on the Council's finances, primarily significant income reduction. It is essential to revise the Plan and financial strategy to account for the impact of the pandemic. The Plan has been revised using the Council's priorities as a framework and includes recovery plans for remainder of the current year and as a basis for the Corporate Plan for 2021/22.

The Leader of the Council reminded Members that the budget had been agreed in March just before lockdown. The environment planned for was very different to the current circumstances and it was right to make changes. The Council has performed well during the crisis and this must be built on. The Council must be able to respond to changes in how residents access the services, continue to support community groups and vulnerable residents. He confirmed the revised Corporate Plan and Budget is a covid recovery plan and also sets the ground work for next year's plan.

APPENDIX A – SUSTAINABLE ECONOMIC GROWTH & APPENDIX B – STRONG AND RESILIENT COMMUNITIES

Judy Holmes, Assistant Chief Executive introduced Appendix A and confirmed that the Plan used the Council's current corporate priorities and is a blend of refocussed work and some modest new activities, to support post Covid recovery.

Discussion was held on joint ventures for town centre regeneration, progress on the Full Fibre project, prioritising housing development, the Orchards marketing strategy, renegotiations of Section 106 agreements and food hygiene inspections.

The Assistant Chief Executive commented that a flexible approach to regeneration was vital. She confirmed that the Full Fibre project has been tendered and is in the process of being delivered. The marketing strategy was an aim for the Council pre Covid-19. It aims to secure inward investment to support a growing, recovering economy. In relation to s106 renegotiations the Government asked local authorities to work positively with developers to renegotiate Section 106 agreements.

The Leader confirmed the Council is open to proposals but needs to be able to balance the ability to leverage investment and risks to tax payer. He noted viability concerns with projects at the current time and reiterated that the Council has a good track record of partnership working.

The Chief Executive reminded Members that the funding of the Full Fibre project had been secured from the Government and the LEP. The route starts north of Brighton and passes through Burgess Hill and Haywards Heath, Horsham and ends in Crawley. She confirmed that some private providers are looking to provide full fibre in East Grinstead. The project is stimulating the market.

Tom Clark, Head of Regulatory Services highlighted that the Food Safety Team had been working with food establishments to ensure they were Covid secure before reopening.

Discussion was held on extended working hours and delivery of affordable housing, progress on green infrastructure projects, governance, future funding for town centre, high street projects, village growth and employment opportunities.

The Assistant Chief Executive noted that the Council maximises opportunities for affordable housing. She confirmed that the Council encourages development to provide more than policy compliance in the provision of affordable housing, for example, one development on Council owned land will be 100% affordable housing. The Council works with other statutory bodies to bring forward their land. The Emergency Access Travel Fund was made available for Highways Authorities to work with local Councils across West Sussex to identify projects that could be completed quickly as part of Covid19 recovery to encourage people to return to work and school. A range of proposals were put forward and West Sussex selected the East Grinstead project in Mid Sussex. She noted that the Government issued a tranche of funding to improve High Streets to make them safer, and to encourage the return of shoppers, no further funds were expected.

Several Members congratulated Officers on producing the report whilst dealing with the pandemic.

The Chief Executive highlighted that as an employer, the Council supports its staff to re-skill as situations change and provides opportunities for apprenticeships. The Council works with many agencies and key education establishments across West Sussex to provide facilities for young people and adult learners. She noted that included the Chichester College Group who will reopen Haywards Heath College next month. The Chief Executive and Leader also sit on the Greater Brighton Economic Board. She advised that private investors prefer to invest in the housing market rather than undertake commercial investment as the returns are higher. The Council does promote employment sites in the villages and provides support for the Parish Councils.

Members discussed the future planning white paper, merging economic and sustainability strategies, changes in working practices, the resilience to withstand a second wave of the pandemic, further revisions to the Corporate Plan, enforcement action for debts, and recognition of the Armed Forces in allocating housing

The Chief Executive advised that Officers will produce a technical response to the future planning white paper as this was normal practice. It would then be published in MIS. The merging of economic and sustainability strategies will raise the profile of work on sustainability and produce a more rounded perspective. She confirmed that there are a range of appropriate governance processes in place to enable the Council to keep the revised Plan under review. The committee was informed that this was a high-level report on refocussed objectives.

The Assistant Chief Executive advised that Breathing Space is a national initiative which allows debtors 60 days to pay the Council or agree a repayment schedule before enforcement action starts. She confirmed that the Council does recognise the Armed Forces community in the housing allocation scheme and would continue to do so in any review.

The Chairman permitted a question from an observing Member, who asked how the Council could encourage developers to use green energy in housing schemes.

The Assistant Chief Executive confirmed that District Plan policy DP39 requires developers to incorporate sustainable development in their schemes. The Mid Sussex Design Guide also encourages sustainable development.

APPENDIX C- EFFECTIVE AND RESPONSIVE SERVICES

The Chief Executive introduced the report by advising that the Council's services to the community needed to be redesigned in light of changing demands and preferences highlighted by the pandemic. The pandemic has meant that work in this area has been accelerated. Officers are seeking to address the impact on the Council's finances by using a blend of reserves and reduction in costs, the latter saving £1m over the next 4 years.

Discussion was held on the how the changes in employee working practices would be embedded, service provision, potential for digital fraud, the white paper on unitary authorities, shared services and choice of suppliers.

The Chief Executive confirmed that under the Covid Secure guidelines it was not possible for all Council employees to work from the offices and some would permanently change to working from home some of the week. She noted that remote working has been highly effective, indeed productivity gains had been achieved. She highlighted that the Management Team are surveying staff and would consult fully with Unison, the public sector union. The Members would receive a further update later in the year, the intention is to promote the positive aspects and minimise any negative perceptions of home working. It was acknowledged that not all staff would have suitable facilities to work from home, and some might have a mix of office and home working. The social aspect of going to work was acknowledged.

It was highlighted that the use of reserves would ensure no cut in services this year. As a result of the pandemic the Council would carry out different activities and work differently. She acknowledged that the waste food pilot could not proceed as planned because of the extra duties the pandemic placed upon West Sussex County Council and Serco. It was confirmed though, that a redesign of waste services would incorporate the option of a food waste service for the whole District. In respect of e-forms the Committee were informed that the Revenues and Benefits Department have systems to identify and to deal with potential fraud.

The Leader noted the Government's view on unitary authorities and advised that the white paper would be carefully scrutinised.

A Member thanked the Democratic Services team for their very considerable work in support of virtual meetings. The Chairman agreed with the Member.

The Chief Executive noted that the benefits to users of the new model for working should be viewed in the longer term in order to provide services at the best value to the tax payer. The Council already operates shared services with other local authorities.

The Head of Regulatory Services advised that choosing a supplier is a legal exercise and local suppliers can be added. The Council looks at the most economically advantageous bid.

As there were no further questions the Chairman moved to recommendation (i) that the Committee consider and comment on the Recovery Plans outlined in Appendices A to C, which was agreed unanimously by e-vote.

At 5:31pm the Committee took a 2-minute recess, the meeting resumed at 5:33pm.

APPENDIX D – FINANCIAL INDEPENDENCE – IMPACT OF THE COVID-19 CRISIS

Peter Stuart, Head of Corporate resources introduced the report. He noted that the Corporate Plan and Budget had been agreed just prior to lockdown. The appendix sets a new base line for 2020/21 and a budget guidelines report for 2021/22. He confirmed that the figures did not include inflation, the tax base would be re-calculated once figures were updated, and that the Government policies are still emerging. The issue is the significant reduction in income. The strategy is to assume a return to a new stable position over the medium term, the funding gap would be bridged using general reserves and revenue savings. He confirmed the Council has reserves to fund the shortfall and the Council has chosen to support the leisure operator over the next four years. He noted the Council's track record regarding fraud, there had been none since 1993 apart from a minor occurrence last year. The risk of fraud to the Council is low as the cash handling contracts are outsourced, the Council has good internal and external audit processes and robust controls are in place. He reminded Members that some Specific Reserves are there to finance particular projects

Discussions were held on the useable capital receipts reserves, clarification of the accumulation of reserves by Business Units and the income reduction figure for leisure, specific reserves, the health of the town centres, effect of the end of the furlough scheme on Council Tax receipts, the predicted pre-pandemic budget deficit, risk reporting and the corporate risk register.

The Head of Corporate Resources commented that there are some assets which will yield capital receipts. The reduction in income will be partially mitigated by the Government income protection scheme but for this year only.

The Head of Corporate Resources confirmed that the pandemic had been added to the corporate risk register. The deficit that had been previously predicted was due to the Fair Funding Review and review of Non-Domestic Business Rates, and it was doubtful it would be implemented in the current circumstances. The gross figures were correct at the end May 2020 but had now changed, due to the income protection scheme.

The Chairman for the Audit Committee commented that he had discussed the matter of fraud with the Head of Corporate Resources and he reassured Members that the Council has robust systems in place.

As there were no further questions the Chairman moved to recommendation (ii): that the Committee consider and comment on the Council's financial strategy and Medium-Term Financial Plan (MTFP) outlined in Appendix D, which was agreed 14 votes in favour and 1 abstention as the Member lost connectivity during the debate.

APPENDIX E – GOVERNANCE AT MID SUSSEX

The Chief Executive briefly introduced the report.

As there were no questions the Chairman moved to recommendation (iii) : that the Committee consider and comment on the proposed Governance Review (Appendix E) and its overarching principles, which was agreed unanimously by an e-vote.

APPENDIX F – REVIEW OF COUNCIL PRIORITY PROJECTS FOR 2020-21

Discussion was held on including sports pitches in the parks investment programme, the sustainability action plan and capturing changes in carbon emissions.

As there were no questions the Chairman moved to recommendation (iv): that the Committee consider and comment on the Council's Corporate Priority Projects (Appendix F), which was agreed by an e-vote with 14 votes in favour and 1 abstention.

APPENDIX G – QUARTER 1 2020-21 PERFORMANCE REPORT

Discussions were held on changes to the performance targets, surveying customers using online services and complaint monitoring, data for EVCs, changes in residents recycling habits and site visits by planning officers.

The Chief Executive advised that the performance indicator was only listed in the appendix if it had been amended. Any learning from complaints is fully embedded.

The Assistant Chief Executive advised that due to Government restrictions unless there was an urgent need to attend site visits, these were avoided on the grounds of safety. However, this did depend on the nature of the site and officers had to continue to practise social distancing measures. The performance indicator is only a target and it was hoped to exceed the target.

A Member commented that the Council has a refined suite of indicators and they remain appropriate even though there has been a change in the working practices.

As there were no questions the Chairman moved to recommendation (v): that the Committee consider and comment on the proposed changes to performance indicators as outlined (Appendix H), which was agreed unanimously by an e-vote.

8. QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE 10, DUE NOTICE OF WHICH HAS BEEN GIVEN.

None.

The meeting closed at 6.19 pm.

Chairman.