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Minutes of the meeting of the **Overview & Scrutiny Committee** held in Committee Room 2, East Pallant House on Tuesday 15 November 2016 at 9.30 am

Members Present: Mrs C Apel (Chairman), Mrs N Graves (Vice-Chairman), Mr P Budge, Mr M Cullen, Mrs P Dignum, Mr N Galloway, Mr G Hicks, Mr S Lloyd-Williams, Caroline Neville, Mr H Potter, Mr J Ransley, Mr A Shaxson and Mr N Thomas

Members not present:

In attendance by invitation:

Officers present: Mr P E Over (Executive Director), Mr S Hansford (Head of Community Services), Mrs H Belenger (Accountancy Services Manager), Mr N Bennett (Legal and Democratic Services Manager), Mrs B Jones (Principal Scrutiny Officer), Mrs J Hotchkiss (Head of Commercial Services) and Mrs S Peyman (Sport and Leisure Development Manager)

112 **Chairman's announcements**

The Chairman welcomed all to the meeting, particularly Mr Connor who would replace Mrs Plant on the committee subject to Council approval. Mr Connor and Mrs Plant sat in the public seating area.

113 **Minutes**

The committee considered the minutes of the last meeting held on 13 September. Southern Water (SW) had submitted responses to questions posed at the meeting and this had been circulated to members and would be attached to the minutes of the meeting. Mr Potter informed members of his dissatisfaction with SW's responses to the committee's questions. Mr Hansford requested that any further questions or queries for SW be sent to him and he would arrange a further response from Southern Water.

RESOLVED

That the minutes of the meeting held on 13 September 2016 be approved as a correct record.

Mrs Jones provided an update on the resolutions which the committee had made to Cabinet. Mr Hansford provided an update on minute 108, resolution 2) regarding the waste service connection at the transit site stating that as WSCC were now the tenant of the land they would be liable for the cost of enabling and connection work,

therefore a site meeting had been arranged with WSCC staff to brief them on the existing system and to consider options prior to engaging with Southern Water.

Mr Potter raised a recent issue with three caravans having parked adjacent to the encampment site and requested an update. Mr Hansford advised that they were not eligible to stay on the Transit site. Sussex Police did not move these vehicles on as there had not been enough complaints regarding behaviour as was required under the Section 61 criteria. Discussions are being held with West Sussex County Council regarding long term access solutions to the Gypsy and Traveller Encampment on verges near the site.

Matters arising:

Members requested a more detailed account from SW about the current service available and what would be available in the future; also the future impact of the possibility of connection from Whitehouse Farm to East Hampnett Waste Water Treatment Works. Investment was required to resolve most issues being dealt with by SW, however it was understood that SW did not borrow money as other utility companies did. Members were concerned that without further significant funding to improve capacity there seemed to be no total resolution to the problems being experienced. Mr Hansford undertook to liaise with SW to seek feedback on these issues.

114 **Urgent Items**

There were no urgent items for consideration at this meeting.

115 **Declarations of Interests**

The Chairman requested that declarations in respect of agenda item 13, Cultural Grants, be made at that item. There were no other declarations of interest.

116 **Public Question Time**

No public questions had been received.

117 **Cabinet Member for Finance & Governance Services address**

Mrs P Hardwick, Cabinet Member for Finance and Governance Services, gave an oral presentation to the committee, setting out the current arrangements in the areas of management under Mr Ward, Head of Finance and Governance Services and in her portfolio. She was supported by Mrs H Belenger, the Accountancy Services Manager and Mr N Bennett, Legal and Democratic Services Manager.

The committee made reference to the Cabinet Strategy, which had been presented to the committee previously by the Leader in May 2016. Members made the following comments, which were answered by Mrs Hardwick, Mrs Belenger and Mr Bennett.

- *Queried the investment of £10m in the local authority property fund and requested clarification of the amount held in reserves.* The Council approves a

minimum level of reserves to be held, which is set at £5m to take account of the Council's spending plans and to ensure prudence. The Cabinet has approved a Treasury Management Strategy which sets out the Council's investment criteria for surplus funds and the risk appetite. It also has a new Investment Protocol which sets out the criteria for direct purchasing property investments within the district using the specific investment opportunity reserve.

- *Queried when the management restructure of the Legal and Democratic Services would be completed, whether members would be involved and when this would be completed in order to be able to evaluate success.* The Head of Paid Service was responsible for managing and reviewing staff; if it was a wider policy then members would be involved. The restructure was in progress and would be completed shortly ensuring increased resilience between the three teams of Legal Services, Member Services and Electoral Services. As both member services and electoral services dealt directly with parishes as well as with councillors, Members and parishes were encouraged to feed back any concerns they had to the Legal and Democratic Services Manager.
- *Queried whether there was confidence that the Council could fill the gap between income and the cost of services.* The Financial Strategy sets out the plans of the council to ensure a balanced budget is set including forecasts of Government funding. A response was expected from the Government with regard to the four year framework within three weeks. There was ongoing discussion about the amount held in the Investment Opportunities Reserve. To aid understanding of trends/impact of volatile income and expenditure areas, quarterly monitoring reports were undertaken and these are available on the Council's website; this states how services are doing according to projections. The Financial Strategy is a dynamic document and the financial model we use is updated regularly to take anything new into account.
- *Suggested the development of a simple diagram in order to make it easier for members to understand investment and returns.* This chart should identify a) revenue funding for Council's corporate body b) economic growth in the district (invested in Enterprise Hub, Cultural Grant, new housing etc.) and c) returns in social and community benefits. This would provide a short succinct easy to understand diagram method to demonstrate how investment was benefitting the Council and communities. This diagram was requested before the Financial Strategy was considered by Cabinet in December and then Council in January 2017. Cllr Hardwick stated that she would look into whether this document could be updated but potentially the timescale may prohibit it at this time.
- *Suggested a further chart showing the Council's statutory duties and needs based services.* Both charts would allow members and residents to understand and make useful suggestions regarding financial policy and gives a method of demonstrating how we are balancing investment and expenditure. The Corporate Governance & Audit Committee considers the Financial Strategy before this goes on to Cabinet and Council. Members of both committees are on the Budget Task and Finish Group which gives members the opportunity to question the budget. Returns from the Property Fund are being taken into account in the Financial Strategy to be considered by Cabinet in December to help address the funding gap of £4m in the next 5 years. Mrs Belenger undertook to investigate both requested diagrams.
- *Queried progress of the roll out of Universal Credit (UC).* UC is being rolled out to specific groups as the Department for Work and Pensions takes on these cases. This is a gradual process which has impacted on some of our residents.

- *Queried the increase in fees and charges and how this has affected those services which by law cannot make a profit.* On-street parking charges must be cost neutral however off street car parks are a non-statutory service and can produce a profit, some of which is then used to improve the council car parks. Consultation takes place through the Car Parking Forum both in terms of fee setting but also improvements Land charges legislation has changed recently with the requirement that searches have to be done on a cost recovery only basis. If S106 agreements are not spent by the due date then monies may need to be returned to the developer. Planning fees are set nationally and it is up to the local authority to resource the service according to local requirement. A pricing policy is set by the Council stating that services should as a minimum aim to break even, however if they feel that the service can bear a higher fee then it should be considered. Mrs Belenger undertook to clarify the position regarding this and planning fees set nationally in a written response.
- *Queried whether the Government was backtracking on the second bedroom tax.* Mrs Belenger undertook to provide a written response.
- *Queried the change to the Housing Benefit scheme which took effect on 7 November.* Some Chichester residents had been affected by the further tightening of benefits but the Council was doing its best to help those families. Cllr Hardwick agreed to circulate the briefing paper regarding changes to the benefit cap.
- *Queried whether this would be put out to a company like Atos.* Mrs Belenger undertook to provide a written response.

The Chairman gave her thanks to Mrs Hardwick and to Mr Bennett and Mrs Belenger for the support provided.

RESOLVED

That the oral report from the Cabinet Member for Finance and Governance Services be noted.

118 Corporate Plan Task and Finish Group final report

The committee considered the report in the agenda (copy attached to the official minutes).

Mrs Dignum, the Chairman of the Corporate Plan Task and Finish Group, presented the report. The committee made the following comments which were answered at the meeting:

- *Queried the categories of staff absence due to sickness or injury.* Confirmed that this information was being analysed in order to address the issues.
- *Queried the review of Sussex Police's new policing methods.* The new policing methods and system would be reviewed by Sussex Police in February 2017. Mrs Lintill is involved through the Council's Community Safety Partnership and as the Council's Police and Crime Panel representative. The annual review of community safety by this committee's task and finish group would also consider this and Chief Inspector Burtenshaw would be invited to that meeting.

- *Queried the request to consider a report to the committee should fly tipping increase.* Due to the charges for certain kinds of refuse there was concern that fly tipping would increase.

RESOLVED

That the Council is achieving satisfactory levels of performance against the targets and activities in the 2016-17 Corporate Plan mid-year progress report.

119 **Leisure Contract monitoring**

Mr Cullen, the committee's representative on the Council's Leisure Management Monitoring Group, gave an oral report on current performance of the new contractor, SLM.

He advised that it would be a full year before meaningful performance and progress could be established. The frequency of reviews and communications from SLM had been set out including weekly health and safety reviews and monthly client/contractor quarterly meetings. Outcomes against key performance indicators would be reviewed annually, along with setting future targets at year end. The structure was there to continually monitor the contract.

The committee made the following comments which were answered by Mr Cullen, Mrs Peyman, the Sport and Leisure Development Manager or Mrs J Hotchkiss, Head of Commercial Services.

- *Questioned the increase in attendance and in direct debit instructions in quarter 1 and how the Council benefitted from this.* The SLM tender had included information relating to their performance stating that if they performed over this target then there was an 80%/20% split in profits in the Council's favour after they had taken their management fee. SLM were expecting to increase numbers as a result of capital expenditure and a change in marketing. However retention levels were down and it had been difficult to establish the reason for this.
- *Queried the cost of monitoring the contract.* This information had been presented to Cabinet in the options report and considered as part of decision making. It was based on a time analysis basis. This is the Council's largest contract and needs to be monitored on a risk basis therefore we had approached our insurers to establish an optimal frequency. Mrs Hotchkiss undertook to provide these figures in a written response.
- *Queried squash provision.* A decision had been taken by SLM to close the squash courts, however they had been working with Westbourne School and other partners such as the Squash Association to provide these facilities to members at a reduced price.
- *Queried the proposed financial savings as a result of outsourcing.* This had been established at £1m and is set out over the 10 years of the contract. If SLM perform over the level set then this would add to the savings to the Council.

RESOLVED

That the oral report on the Leisure Contract performance be noted.

120 **Budget Task and Finish Group Terms of Reference**

RESOLVED

- 1) That the Budget Task and Finish Group terms of reference be agreed.
- 2) That Mr J Ransley, Mr S Lloyd-Williams and Mrs N Graves be appointed as the committee's representatives on this group.

121 **Forward Plan**

Mr Shaxson suggested that, due to the implications of the planning services on residents in the north of the district, that members should be involved in considering a new South Downs National Park or extended management agency agreement before it is presented to Cabinet. Mrs Purnell advised the January Cabinet would consider an interim six months arrangement until September 2017, and a longer term arrangement would be negotiated during that interim period. Members agreed that the implications of the long term arrangements ought to be considered by this committee or by a member group.

Mr Lloyd-Williams raised the Petworth Skate Park decision stating that, notwithstanding the sum of money suggested for its establishment in the Forward Plan, there would be implications with reduced car park income. Mr Hansford advised that discussions were ongoing with Petworth Town Council. The income which would be lost from the car park spaces removed would be relatively small.

Mr Lloyd-Williams also raised the Museum Service options appraisal due to be considered by this committee at its meeting on 17 January 2017, stating that this item should be first on the agenda at that meeting to allow a full member debate.

Mr Ransley was concerned at the large number of issues for discussion at the Cabinet meeting of 6 December and suggested there was insufficient time for Cabinet to properly debate and deal with these issues.

122 **Exclusion of the Press and Public**

RESOLVED

That the public, including the press, 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 to the Local Government Act 1972 by virtue of the paragraph specified against the item.

123 **Cultural Grants - review of arrangements**

The committee considered the report in the agenda (copy attached to the official minutes). Mrs E Lintill, Cabinet Member for Community Services, presented the report supported by Mr S Hansford, Head of Community Services.

The Monitoring Officer had granted dispensations under Section 33 of the Localism Act to Mrs N Graves, Mr J Ransley and Mrs C Apel in respect of their 'Friends' membership of Pallant House Gallery and/or Chichester Festival Theatre. Mrs P

Dignum declared a prejudicial interest in respect of her position as the Council's representative on the Pallant House Gallery Trust and Company and left the room during discussion of this item.

On considering the comments from the committee, Mrs Lintill undertook to reflect on the value of the grants and to take this into account in her report to Cabinet on 6 December 2016.

RECOMMENDED TO CABINET

- 1) That the recommendations set out in paragraphs 5.5(a) and (b) of the report be approved.
- 2) That the committee continues its role of monitoring performance against the existing service level agreements with both organisations.

The meeting ended at 12.48 pm

CHAIRMAN

Date: