

OVERVIEW SELECT COMMITTEE

24 January 2017 2016 at 6.00 p.m.

Present: - Councillors Elkins (Chairman), English (Vice-Chairman), Ballard, Mrs Bence, Blampied, Hitchins, Mrs Oakley, Oliver-Redgate, Mrs Rapnik, Warren, Dr Walsh and Wheal.

Councillors Bence, R Bower, Mrs Brown, Chapman, Clayden, Charles, Dendle and Wensley were also present for all or part of the meeting.

425. WELCOME

The Chairman welcomed Members and Officers to the meeting.

426. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Edwards and Hughes.

427. DECLARATIONS OF INTEREST

The Monitoring Officer has advised Members of interim arrangements to follow when making declarations of interest. They have been advised that for the reasons explained below, they should make their declarations on the same basis as the former Code of Conduct using the descriptions of Personal and Prejudicial Interests.

Reasons

- The Council has adopted the Government's example for a new local code of conduct, but new policies and procedures relating to the new local code are yet to be considered and adopted.
- Members have not yet been trained on the provisions on the new local code of conduct.
- The definition of Pecuniary Interests is narrower than the definition of Prejudicial Interests, so by declaring a matter as a Prejudicial Interest, that will cover the requirement to declare a Pecuniary Interest in the same matter.

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Where a Member declares a "Prejudicial Interest", this will, in the interests of clarity for the public, be recorded in the minutes as a Prejudicial and Pecuniary Interest.

There were no Declarations of Interest made.

428. MINUTES

The Minutes of the Committee meeting held on 22 November 2016 were approved by the Committee as a correct record and were signed by the Chairman.

The Chairman informed the Committee that the usual feedback reports following recent meetings of the West Sussex County Council's Health and Adult Social Care Select Committee [HASC - 18 January 2017] and the Sussex Police and Crime Panel [20 January 2017] would be reported to the next meeting of the Committee on 21 March 2017.

429. CORPORATE PLAN 2013-2017 – QUARTER 2 PERFORMANCE OUT-TURN FOR THE PERIOD 1 JULY 2016 TO 30 SEPTEMBER 2016

The Chairman explained to the Committee that a different approach to considering this and the next agenda item was being trialled. He outlined that the idea was to invite one Cabinet Member to focus on one portfolio area in detail at each future meeting linking in with items on the agenda. For this meeting, and based on progress on targets, this would be Councillor Bence, as the Cabinet Member for Housing. The Chairman stated that Members would still have the opportunity to ask questions on other areas of the Corporate Plan.

Firstly, the Chief Executive introduced the report which set out the Quarter 2 performance outturn for the Corporate Plan indicators covering the period 1 July to 30 September 2016.

The Committee was reminded that at its meeting held on 26 July 2016, it had recommended to Full Council that the current suite of performance indicators be retained for one further reporting year as it was proposed to review these during 2017 so that a new programme of indicators for the Corporate Plan and Service Delivery Plan could be implemented in April 2018.

In referring to the Appendix to the report, which set out the detail which Cabinet had considered at its meeting held on 12 December 2016, the Chief Executive confirmed that 11 out of the 15 performance indicators had either over achieved, or achieved the target set for them at the half-year point. Two were slightly behind target and 2 had not achieved target.

Before inviting Councillor Bence to present his Housing Portfolio indicators, the Chairman invited Members to ask questions on other areas of the Corporate Plan. Questions were asked on the following indicators:

- PER004 [% Occupied retail units in Bognor Regis 16/17] – was there any reason why retail units in Littlehampton were not being occupied at the same levels in Bognor Regis? The Director for Place outlined that the target for Littlehampton was only slightly behind and that there was only a small amount of vacant premises. The Committee was reminded that Bognor Regis was a larger Town and had increased capability to attract larger national retailers. Business in Littlehampton remained buoyant and Officers were continuing to work hard to keep occupancy levels as high as possible. The Director of Place asked Members to remember that both centres had performed better than the national average. The Council had also applied for a grant from the Coastal Communities Fund for nearly £5m pounds to fund, if successful, the delivery of the Littlehampton Town Centre Public Realm Project. This would reinvigorate the Town and close the gap yet further.
- PER020 [Overall Employment Rate (working age) 16/17] – the commentary provided made it difficult to understand the current position. The Director of Place confirmed that he would provide a full explanation to the Committee following the meeting.
- PES002 [Number of affordable units for purchase or rent] – the commentary outlined that the input figure could not be confirmed until at least December 2016 – was this figure available? The Director of Place explained that data from the Homes and Communities Agency was still awaited. This information would be provided to the Committee when received.
- PEP023 [% of Planning appeals dismissed] – the Corporate Plan stated that higher was better – but current performance was low yet the status confirmed that this target was overachieving - how did this work? The Director of Place outlined that ultimately with appeals the general view was that 30% of appeals was average, this was why there was a target of 70%.

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The Chairman then invited the Cabinet Member for Housing, Councillor Bence, to present and explain the results of indicators relating to his portfolio area of Housing.

Updates were provided on:

- CSR001 [% of Council Tax collected] – although collection rates were slightly down the Council was working with partners to achieve better performance.
- CSH006 [Homelessness approaches where homelessness prevented] - preventative action to assist homelessness was explained. Councillor Bence outlined that at the last Cabinet meeting recommendations had been agreed for a supplementary estimate of up to £80,000 to support expenditure on Bed and Breakfast provision up to the end of 2016/17. He expected applications for Bed & Breakfast to increase and outlined that this problem was not confined to Arun alone – it was a national problem. The Council was therefore looking at proactive moves and was considering the purchase of its own B&B covering both Bognor Regis and Littlehampton as this would offset spend on B&B accommodation whilst at the same time provide an asset for the Council. This would be subject to a business plan being developed and approved. The Chairman asked Councillor Bence if he could keep the Committee updated on progress.
- CSH030 [Number of new Council homes built or purchased] – progress had been made with constructing 9 houses at Barnham [Garden Crescent] and the contract had been let for housing at Wick and Glenlogie. The project at Wick had been delayed due to external forces involving WSCC over highway and lighting issues. The Committees was reminded by the Chief Executive that the scheme had also been changed to reduce build numbers following a public consultation exercise. As Councillor Bence could not confirm a construction start date for the Wick project, the Chairman asked him to provide more information at a future meeting of the Committee. Following further questioning about underperformance, Councillor Bence reminded Members of Cabinet’s decision not to move ahead with certain projects. He felt that recent speed had been exceptional.

The Committee then noted the report.

430. SERVICE DELIVERY PLAN 2013-2017 – QUARTER 2 PERFORMANCE OUTTURN REPORT FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2016

The Chief Executive introduced a report which set out the Quarter 2 performance outturn for the Service Delivery Plans (SDPs) performance indicators which were measured at 6 months (quarterly and six monthly targets) for the period 1 July April to 30 September 2016.

The Chief Executive confirmed that the SDP indicators had been approved at the same time as the Corporate Plan indicators and they reflected the themes of the Corporate Plan that had been reviewed in 2016. There were 46 SDP indicators and this report set out data for 32 of the 46 performance indicators as 14 were measured annually.

The Committee was advised that the majority of performance indicators (19) had either over achieved or achieved the target set for them. The performance out-turn report for this period had been attached as Appendix A and provided the detail of the indicators; their level of performance against the target set; and the commentary from the relevant Officers to explain the current status of the indicators. This report had been considered by Cabinet at its meeting held on 12 December 2016. At this point it was highlighted that 3 targets were behind target and that 9 were not achieving. As these related to the Planning Portfolio, the Chairman outlined that he would invite the Cabinet Member for Planning & Infrastructure to provide updates when questions would be asked.

The Chairman then invited the Cabinet Member for Housing, Councillor Bence, to present and explain the results of indicators relating to his portfolio area of Housing.

Updates were provided on:

- CSH025 [No. of Council properties to be brought back into use by legitimate tenants] – the work of the Housing Fraud Investigator was applauded in view of the achievements made. Councillor Bence’s personal estimation was that her work had saved the Council approximately £2.1 m in one year.
- CSH042 [Average void turnaround time (excludes long-term voids)] – Councillor Bence applauded the excellent work undertaken by the maintenance team in turning properties around. This assisted in removing people off the homelessness register.

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- CSH043 [% of Council properties with a valid gas safety certificate] – Councillor Bence applauded the Council for maintaining a 100% certification compliance. He confirmed that the Council had also recently commissioned a full condition report for every single Council property owned. The Chairman suggested that the results of the condition survey would be a good item for the Committee’s future work programme.

Having thanked Councillor Bence for his updates, the Chairman then invited Members to ask questions on other Service Delivery Plan performance indicators. The questions asked were:

- ESC062 [Number of missed recycling collections per 100,000] – the service provided by the Contractor was applauded especially in terms of how missed collections were promptly corrected.
- PEP009 [Number of days to determine planning applications – major and PEP011 [Number of days to determine planning applications – householder] - concern was expressed that the target set was 100 days yet current performance was taking this over 200 days. Was this purely due to the number of applications versus a lack of planning staff?

In discussing planning applications, questions were asked over the extension of time mechanism and whether the need to negotiate was down to the lack of planning officers and if the Council’s decision to end the pilot scheme with Littlehampton Town Council determining householder applications had had an impact. The Cabinet Member for Planning & Infrastructure, Councillor Bower responded making the following comments:

- There was a significant problem in filling planning officer posts.
- This was a national pattern in the profession due to a shortage of planners
- Planners were not qualifying as fast as they were needed.
- Once qualified, many were then attracted to the private sector paying higher and better salary packages.
- There were 12 planning officer vacancies that urgently needed to be filled. This was being closely monitored.
- Extensions of time were negotiated with the planning applicant and if the Council was not able to meet deadlines – further negotiations took place. Planning agreements existed to overcome this problem.
- Monies had been put into the planning service a year ago by paying Officers an additional £5k in salary to retain them. This was because Arun was a low paying authority compared to others. Plans were underway to recruit a Strategic Planner to determine the larger applications.

- An apprenticeship scheme had been introduced. Plans were in place to recruit a second apprentice. This allowed senior planners to focus on larger applications.
 - At the moment the Council’s planning application fees still only represented about 40% of the cost of delivering the service. The Leader of the Council was taking this matter up with the DCLG to allow the national fee regime to be freed up – this would provide more money to deliver the service.
 - The results of the pilot scheme with Littlehampton Town Council had shown that this had not helped to turn around application any faster – this was why the pilot scheme was terminated.
 - In the last 8 months, the Council had engaged external contractors to assist in the preparation of reports for Committee – this had been a necessity.
 - The Council had approved increasing delegations to Officers to speed up the decision making process.
 - The Chairman requested that an update on staffing levels be made to a future meeting of the Committee.
- CSC001 [Working days lost due to sickness absence] – concern was expressed that sickness levels were on an upward trend, was this because staff numbers were reducing? Were absences down to stress related matters? The Chief Executive responded to this question. Sickness figures were not increasing and compared to other years were actually lower. He agreed that 9.34 days for long-term sickness was still high and that he was concerned about this. However, short-term sickness levels were currently 3.54 days on average.

In terms of staff being subjected to stress, this was more prevalent, but the figures recorded were partly linked to issues surrounding mental illnesses which were more acknowledged in society now and often linked to stress. The Chief Executive stated that the issue now was to look at the balance between the public services that the Council provided and the staff that it actually had to provide them. He referred to the up to £4 m savings that needed to be achieved by 2020 and emphasised to Members that this meant that it would become more difficult for staff, who would have to work a lot harder with less, to achieve the results that Members expected, whilst having the least effect on front line services.

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The Chief Executive outlined the improvements in terms of staff welfare that had been introduced to reduce sickness levels. These were:

- Freedom Leisure – staff had free use of their leisure services
- The Wellbeing team offered a number of lunchtime activities
- Increased delegations and revisions to the financial procedure rules allowed Officers to get on with the day job and reduced time spent on writing reports to Committees.

The Committee then noted the contents of the report.

(During the course of the discussion on this item, Councillors Warren and Dr Walsh declared their Personal Interests as Members of Littlehampton Town Council.)

431. CABINET MEMBER QUESTIONS AND UPDATES

The Cabinet Member for Environmental Services, Councillor Chapman, updated the Committee on plans to dissolve the inland drainage board (IDB) for the lower Arun area. He outlined that a new body would need to be designed and agreed to deliver the strategies required to manage the river and its flood defences.

Councillor Chapman referred to a meeting held recently with Nick Herbert MP to consider the way forward. This meeting had been attended by landowners, with riparian responsibilities, stakeholders including the Environment Agency, Local Authorities, Statutory undertakings such as Southern Water and Environmental groups.

The outcome of the meeting was that a steering group would be formed to develop and bring forward proposals for the future.

The Chairman outlined that as discussions progressed it would be important for Members to be kept informed and he asked if Councillor Chapman could provide further information on the precept amounts. It was agreed that a briefing note on this item would be circulated to the Committee.

432. THE COUNCIL'S 2020 VISION – SHARED SERVICES UPDATE

The Committee received a report from the Director of Transformation which provided an update on the Shared Services work undertaken by the Council over the last twelve months.

The Director of Transformation explained the history behind this project in that Chichester, Arun and Horsham District Councils had been working together to explore the possibility of delivering some support services on a shared basis. Arun and Chichester had looked at sharing ICT, Revenues and Benefits and Customer Services. Horsham had worked with the two other Councils on proposals to share Internal Audit, Human Resources and Legal Services.

Back in July 2016, the three Councils approved business cases for sharing each of these services subject to the development of detailed business cases to establish in more detail the costs, benefits and savings allocation model to be applied. Full business cases had recently since been produced [December 2016] and evaluated by senior managers and the conclusions discussed with the three Councils' Leaders and relevant Cabinet Members.

The Committee was advised that following a series of meetings, the three Council Leaders agreed that the work undertaken to date on these projects had been valuable in analysing and comparing resources, operating methods and productivity. However, they considered that the projected scale and timing of savings and the degree of difference in the Councils operating modes, resources levels and systems did not justify the costs and risks of implementation.

This meant that the Committees was being asked to approve that shared services would not be progressed at this time and that alternative financial savings would need to be met from the relevant services to meet the Council's 2020 Vision programme to reduce the revenue budget by up to £4m by 2020.

In receiving the report, Members asked why these projects had not stacked up financially. The Transformation Director explained that this was down to a raft of matters such as accommodation costs; incompatibility of IT systems, retirement/redundancy costs; and the large investment required to share the services [the capital required would be around £1.3m. This meant that the savings expected would not be realised until year 6 or 7 of the project which was outside the agreed aim of within 5 years. The results of this

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exercise had been discussed with all of the staff involved and trade unions in terms of the alternative ways that the Council would need to save money. The next stage would be for a review of these same services to be undertaken in line with the proposed Vision programme.

In reaction to this, some Members felt positive of the fact that although they were being asked to approve that the shared services review would not proceed, this exercise had shown that a number of this Council’s services were better compared to the other two authorities. Based on this fact, the Council would most likely have lost more than it would have gained in proceeding with the scheme. In view of the very detailed benchmarking data and analysis of processes undertaken as part of this project, it was accepted that this put the Council in a very good position to now review existing operating models within its services so that changes could be delivered to achieve the savings required.

Finally, the Chairman asked when updates on the progression of the services reviews were likely to be fed back to the Committee as it would be setting its Work Programme at its next meeting. The Transformation Director outlined that this would happen in due course but no dates could be confirmed at this stage.

Following some further discussion, the Committee then

RECOMMEND TO CABINET – That

- (1) The Council does not enter into a shared services arrangements with Chichester and Horsham District Councils; and
- (2) A review of the services involved be carried out as part of the Council’s 2020 Vision programme.

433. COUNCIL BUDGET – 2017/2018

The Chairman welcomed the Financial Services Manager to the meeting and invited her to work through the Council’s Budget for 2017/2018 highlighting what she felt were the significant areas that Members should be made aware of. She outlined that any comments that the Committee wished to make would be forwarded onto the next meeting of Cabinet taking place on 6 February 2017 before the Minutes from this meeting would be submitted to the Special Meeting of the Council on 22 February 2017.

The Financial Services Manager then presented the Council’s Budget for 2017/2018 and explained the main strategic issues:-

- the budget was balanced and allowed a £2m contribution to the Littlehampton Leisure Centre to fund the anticipated revenue costs associated with this scheme.
- Members’ attention was drawn to Appendix A of the report outlining the area of Government funding. This had been subject to significant uncertainty over a number of years due to:
 - The New Homes Bonus (NHB) [contained in table 2.7] for 2017/18 had reduced from 6 years to 5 years and from 2018/19 onwards it would reduce further to 4 years. For 2017/18 this was better than anticipated as one of the options on the Government’s consultation was an immediate reduction to 4 years.
 - It was outlined that the Council would not receive any further detail for some time on Retained Business Rates. The current assumption was that the financial position would be broadly neutral going forward. Retained Business Rates were still subject to potential significant volatility in terms of appeals or nationally granting of mandatory rate relief for a new category of hereditament.
 - The reduction in Revenue Support Grant was a constant concern. The Council had accepted a 4 year settlement of £750k for 2017/18 and £190k for 2018/19.
 - The Budget assumed that Council Tax would rise by £5, which was the amount that the Government assumed in the Council’s spending power calculation.

The Financial Services Manager outlined that now that the Council had more information on funding it could make better forecasts of the Council’s financial position moving forward.

Looking at estimated outturn, Members were asked to note changes in financing the works at the Arun Leisure Centre. This work would mainly be revenue in nature and could not be financed as capital expenditure. It would effectively be funded through increased contributions from the Council’s leisure management provider.

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The Committee was alerted to the need for it to be made aware of the level of Supplementary Estimates approved in 2016/17 to the estimated value of £1.264 m and the need to ensure that these be kept to a minimum in the future to ensure that value for money was obtained through proper planning of expenditure and the collection of income.

Table 4.5 set out the main variations which the Financial Services Manager explained. These related to major contract savings, cuts in posts, for example relating to the new Financial Management System, Economic Regeneration and Payroll. Members’ attention was also drawn to the income table.

The Financial Services Manager then drew Members’ attention to the Housing Revenue Account (HRA) and Capital, Asset Management and other Projects in terms of:

- rents had been set at 1% below the current year’s level in accordance with legislation.
- The Pay to Stay Policy would not now be mandatory. It was explained that this was where higher earning tenants were charged a higher rent.
- The proposed levy on the sale of high value dwellings to fund discounts for housing association tenants exercising their Right to Buy would not come into force until 2018/19 at the earliest.
- The HRA Business Plan was being updated to reflect these changes
- On Capital, this was inevitably dominated by the new Leisure Centre at Littlehampton. The Budget showed that there remained a balance of £3.29 m to be funded, though every attempt was being made to reduce borrowing to an absolute minimum due to the adverse consequences on future revenue budgets. This excluded any grant funding from the Sports Council. As mentioned earlier, the Budget included a £2m revenue contribution for non-capital expenditure relating to the project.
- There was a slightly enhanced capital programme containing a number of schemes in the 2017/18 investment programme that would be visible in the community and would benefit the District. These being Public Toilets works, play areas and the second year of the Community Flood Fund which had been included in the contingency budget as the expenditure was not capital by nature.

The Chairman having thanked the Financial Services Manager for her presentation, invited questions from Members which are outlined below:-

- Concern was expressed over the uncertainty ahead in terms of business rate retention levels and reductions in NHB which would put added pressure onto all local authorities.
- The phasing out of the Revenue Support Grant would only add to these pressures.
- That staff were only likely to receive a provisional 1% pay award
- The Leader of the Council, Councillor Mrs Brown, was able to provide the Committee with a degree of reassurance over the concerns expressed. She outlined that she had met with the Secretary of State last week who had stated that he was minded not to bring in the proposals affecting NHB at the moment as they had not been enacted at this time. The District Council’s Network (DCN) had submitted amendments in respect of the Neighbourhood Planning Bill to allow Councils to be able to locally set their planning fees.
- Concern was expressed over recommendation (vi) to increase HRA garage rents by 5% to give a standard charge of £10.63 per week. Comments were made by some Members that garage rental was too low and should be increased by a level higher than 5%. This was because it was felt there were cases where some garages were being sub-let out at a rate far above the rental charged. In response, the Chief Executive confirmed that investigations were underway looking at the misuse of some garage sites which would fit into the Council’s plans for housing in the future. He stated that this was a large problem in some areas. Other Members of the Committee agreed that garage rentals were too low and that the suggested increase should be reviewed. It was pointed out by one Member of the Committee that the Council could not make money from HRA lettings as such rentals which could only be used to balance the HRA. If there was a problem with the sub-letting, then this needed to be addressed as a separate problem and by applying the conditions of any lease.
- Looking at the funding of the new Leisure Centre in Littlehampton, a query was raised as to why the underfunded amount of £3.2 m had been included. The Financial Services Manager explained that any windfall income received would be used to fund the gap.

In summing up the comments made, the Chairman outlined that he formally wished to have recorded his thanks passed onto the Finance team for producing the budget and during very difficult times. Turning to the comments that had been made about HRA garage rents, he outlined that if the Committee approved, the following recommendation be put forward to Cabinet on 6 February 2017 to read - “That a further review be sought of the proposed level of HRA garage rents as set out in Recommendation (VI) of the Head of Finance and Property’s report”.

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On putting this recommendation to the vote this was CARRIED.

The Committee in giving its general support and noting the contents of the Council Budget for 2017/2018 [which would be considered by Cabinet at its next meeting on 6 February and then at the Special meeting of the Council on 22 February 2017] then

RECOMMEND TO CABINET – That

- (1) The contents of the Council Budget for 2017/2018 be supported and noted; and
- (2) A further review be sought of the proposed level of HRA garage rents as set out in Recommendation (VI) of the Head of Finance and Property’s report.

(Councillor Dr Walsh requested that his voting against this recommendation be recorded.)

(During consideration of this item, Councillor Dr Walsh declared a Personal Interest in his capacity as a West Sussex County Councillor and a Trustee of the West Sussex Pension Fund.)

434. WORK PROGRAMME 2016/2017

The Committee received and noted a verbal update from the Head of Democratic Services which reported that the Committee had been due to receive a report on Freedom Leisure’s Performance at its next meeting on 21 March 2017 but that this would be deferred to its meeting to be held in May 2017 so as to allow for a full year of operating figures and performance data to be supplied to the Committee.

Finally, Members were reminded that at its March 2017 meeting, the work programme for 2017/18 would be reviewed.

(The meeting concluded at 8.12pm)