

Public Document Pack

Subject to approval at the next Policy and Finance Committee meeting

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POLICY AND FINANCE COMMITTEE

13 February 2025 at 6.00 pm

Present: Councillors Lury (Chair), Nash (Vice-Chair), Birch, Cooper, Greenway, Gunner, Pendleton and Warr (Substitute for Stanley).

Councillors Mrs Cooper were also in attendance for all or part of the meeting.

(Note: Councillor Pendleton was absent from the meeting during consideration of the following items – Minute 526 to Minute 528 (Part).

526. APOLOGY FOR ABSENCE

An Apology for Absence had been received from Councillor Stanley.

527. DECLARATIONS OF INTEREST

There were no Declarations of Interest made.

528. MINUTES

The minutes from the last meeting of the committee held on 11 December 2024 were approved as a correct record and were signed by the Chair at the conclusion of the meeting.

529. ITEMS NOT ON THE AGENDA THAT THE CHAIR OF THE MEETING IS OF THE OPINION SHOULD BE CONSIDERED AS A MATTER OF URGENCY BY REASON OF SPECIAL CIRCUMSTANCES

The Chair confirmed that there were no urgent items for the committee to consider.

530. PUBLIC QUESTION TIME

The Chair confirmed that one question had been submitted for this meeting in line with constitutional requirements. The question was from Mr Jan Cosgrove and in his absence was read out on his behalf by the Committee Services Manager. The question related to Devolution and Local Government Reorganisation.

The Chair responded to the question. The question and the response provided would be uploaded to the committee's web page within 10 working days of the meeting.

The Chair then drew Public Question Time to a close.

531. LITTLEHAMPTON SEAFRONT PROJECT - UPDATE

The committee received a report from the Principal Landscape and Project Officer providing a further update on the Littlehampton Seafront Project. The report contained a recommendation for the committee to consider proposing that future committee reports would only be brought forward when a formal decision was required as regular project updates were provided via the Members' newsletter and other means.

The Principal Landscape and Project Officer then presented the key highlights of her report relating to surface water drainage; how the construction phase was progressing in terms of the West Green car park; the toilet block; the foreshore building; the activity area in terms of the water play storage tank, which was now in position; and that the bases for the four concession kiosks had been laid.

The update provided confirmed that a lot was happening with different parts of the scheme and Members were encouraged to visit the site to see the progress that had been made. Returning to the new toilet block, the committee was advised that a gas pipe feeding the Windmill Theatre had been identified which had not been confirmed on the network supplier records. This would conflict with the new building and needed to be diverted. A legal agreement would need to be in place before a date could be set for the diversion. The contractor was phasing the building work to minimise impact on the project programme.

It was highlighted that regular news releases were published on the project webpage and on social media channels to stakeholders which would continue during the construction phase. An information point had also been installed on the seafront to inform people about the scheme which also provided a link to the project website.

The Chair requested a proposer and seconder for the recommendation which was then proposed by Councillor Cooper and seconded by Councillor Birch.

The Chair then invited debate. A question was asked about the project programme and if the completion of the project was still planned for this summer. The Principal Landscape and Projects Officer confirmed that she was confident that the project would be completed by July 2025, however, the dates were subject to change as unforeseen events could occur at any time during the construction phase. In response to the update provided about the gas pipe and required rerouting works, would this incur additional costs and if so, could an estimate be provided. It was confirmed that this would incur additional costs but at this time the amount could not be confirmed as the issue was being reviewed by the project management team.

Finally, in congratulating the Principal Landscape and Project Officer for her and her team's work in delivering this substantial project, the Committee

RESOLVED

That it be agreed that future committee reports will be brought forward only when a formal decision is required. This is proposed due to the regular project updates issued via the Members' Newsletter and circulated publicly.

532. REVIEW OF ARUN DISTRICT COUNCIL'S MEMBERSHIP OF THE GREATER BRIGHTON ECONOMIC BOARD

The Director of Growth introduced his report which was requesting the committee to review the council's membership of the Greater Brighton Economic Board (GBEB) having received a request from members of this committee at its meeting held on 24 October 2024.

The report provided background as to how and why the GBEB had been formed, who was involved, and it provided background to Arun's involvement as well as how the GBEB would inform future decisions regarding devolution and local government reorganisation.

Before inviting debate, the Chair specifically requested Councillors to pay particular attention to paragraphs 4.5, 4.7, and paragraphs 4.10 to 4.14 as these outlined the opportunities available to the council.

The Chair requested a proposer and seconder for the recommendation, which was then proposed by Councillor Nash and seconded by Councillor Lury.

The Chair then invited debate. The first councillor to speak confirmed that he wished a recorded vote on the recommendation to be undertaken. He added that he could not think of a single example, project wise, that Arun had benefitted from. Although many nice sounding projects had been set out within the report highlighting attempts at collaborative working, the cost of the membership of the Board could not be justified. In response to the comments that the Director of Growth had made regarding the Devolution White Paper and local government reorganisation, the report confirmed that the Government would be looking to develop partnerships such as the GBEB across the country providing universal coverage in England of strategic authorities. It was necessary to remember that the council would not be a strategic authority following reorganisation, nor would many of the Board's other members. The Councillor questioned whether the council could therefore justify spending £23k a year over the next couple of years on membership when it would not exist in the future and the Board would serve no purpose since all other councils would be abolished.

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A question was asked around the amount of funding that the Board held and whether in a couple of years when some of the constituent authorities would be abolished a share of this could be provided back to Arun if it chose to remain a member. The Director of Growth confirmed that this was difficult to confirm. The usual process in such instances was that any positive balance would need to be split between relevant parties, however, he could not tell what this would be as it would be a matter to negotiate if the council got to that point in time. The concern being raised was that if the decision was made to withdraw membership of the Board, that decision could result in the council forfeiting any amounts it could be due back if the Board was disbanded. The Director of Growth outlined that if the decision was made to withdraw from the Board to allow the council to make a saving on its annual membership fee, the council would not then benefit from any monies held by the Board as it had decided to withdraw.

In discussing this point further, it was stated that knowing if the council would be entitled to funds back would make it easier for councillors to be able to make a balanced approach to making the correct decision. It was felt that the council should write to the Board to receive this confirmation first before making its decision. In response, the Director of Growth confirmed that it was unlikely that any authorities would agree to Arun receiving funds back if it had decided to withdraw its membership, this would be a consequence of that action. Councillors were reminded that the annual membership was relatively small, and Members were encouraged to think about the bigger picture in terms of assessing the value of the membership to the Board. It was felt that at this time with local government reorganisation at the top of the agenda, it was premature for the council to be withdrawing from its membership.

Debate again focused on devolution and local government reorganisation as it was felt that in terms of forming any unitary relationship with the board, no firm benefits could be seen. Questions were asked as to what projects were on the horizon that the council would benefit from in the immediate future. The Sussex Energy project was highlighted as a good example of future working that could benefit the council for numerous reasons as set out in the report. The report also explained that Covid had become a major issue just over six months after the council had joined affecting the council's ability to play the role it initially intended on the Board. Also, post Covid, the external funding opportunities had become more limited, whilst other issues had evolved such as devolution.

The Chief Executive reminded Councillors that it was worth noting that these were very uncertain times and that having membership on strategic partnerships such as the Board in the lead up to devolution and combined authority arrangements would be key.

The Committee agreed that Councillor Mrs Cooper, as a non-member of the committee could speak. She confirmed that she had looked at the finances of the GBEB and could state that they spent all funds that they were in receipt of and so she felt that if Arun chose to withdraw its membership, it would not be losing out on anything significant.

Debate continued with Councillors reconfirming that they could not highlight many benefits from the council's membership to GBEB and as confirmed by two former Leaders of the Council when this matter had first been discussed by the committee in October 2024. The Chair (as Leader of the Council) was asked to provide his justification for remaining on the board.

The Chair outlined that the GBEB was now exceptionally well chaired and that the Council's membership had helped to facilitate access to Government Departments which had been beneficial to local businesses. An example of this had been a visit by the Department of Trade and Industry to a firm in Littlehampton to examine investment opportunities. Other projects such as Sussex Bay and Sussex Energy were also highlighted as important projects for the district. In terms of local government reorganisation, it was business as usual up until 2027 and so membership to GBEB was important and should remain.

Councillor Nash, as seconder to the recommendation, agreed with the points made by the Chair and confirmed that GBEB would be looking at all sorts of overarching issues in the future. If the council chose to withdraw its membership, it would lose clout and credibility and so should firmly stay and contribute to the board.

A recorded vote on this item had been requested at the start of the debate. Those voting for the recommendation were Councillors Birch, Lury, Nash and Warr (4). Those voting against the recommendation were Councillor Cooper, Greenway, Gunner and Pendleton (4). As this was a tied vote, the Chair used his casting vote and voted for the recommendation.

The Committee, therefore

RESOLVED

That support be given to the council's ongoing membership of the Greater Brighton Economic Board.

533. KEY PERFORMANCE INDICATORS 2022-2026 - QUARTER 2 PERFORMANCE REPORT FOR THE PERIOD 1 APRIL TO 30 SEPTEMBER 2024

The Group Head of Organisational Excellence advised that the report detailed the performance results for the Quarter 2 Performance Outturn for the Key Performance Indicators (KPIs) covering the period 1 April to 30 September 2024. She confirmed that as members were all familiar with the report she would take any questions on the performance indicators provided.

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As no questions were raised by the committee regarding any of the performance indicators, the Chief Executive explained that as the Quarter 2 report was being presented to this committee at the same time that Quarter 3 reports were being presented to other Committees (and at the start of the Quarter 4 period), efforts were being made for KPI reporting to be aligned more efficiently for the 2025/26 municipal year. In response to a query raised about where to find the action points in the report, it was confirmed that these would be added to the commentary box in the appendix in the future.

534. COMMITTEE REVENUE AND CAPITAL BUDGETS 2025/26

The Group Head of Finance and Section 151 Officer presented his report which was asking the committee to consider and approve its revenue budget for inclusion in the council's overall 2025/26 revenue budget, which this committee would consider as a later item on this agenda.

It was reported that the 2025/26 revenue budget confirmed a net reduction of £275k year on year to £1.67m due to the deletion of two Group Head posts along with the transfer of posts from this budget to the Housing & Wellbeing Committee HRA and General Fund budgets. The other key change was a £60k growth item which was the budget for the Programme Management Office Project that was essential to deliver the workstreams set out in the Financial Strategy approved by this Committee and Full Council in January 2024. There had been no additional changes to what had already been reported to the committee in previous reports in relation to the Capital Programme.

Having had the recommendations proposed by Councillor Birch and seconded by Councillor Warr, the Chair invited debate.

The Chair was asked what his contribution was to this budget. He confirmed that he and the Vice-Chair had discussed the budget in-depth with the Group Head of Finance and Section 151 Officer so that a budget that was sensible and would take less money from reserves, than had been the case in the past, could be presented for approval. The Chair was asked further questions asking if he could confirm if he had proposed any specific expenditure or savings. The Chair explained that last year the council had made savings and that for this year these were continuing in line with the expectations made and via ongoing conversations to produce the budget. Reference was made by the Vice-Chair to paragraph 4.4 of the report and the table illustrating the key budgetary changes. The Table at Appendix A set out the 2025/26 Revenue Budget.

Following further questioning,

The Committee

RESOLVED – That

(1) It agrees the 2025/26 Revenue Budget as set out in Appendix A;

(2) It agrees the 2025/26 Capital Programme as set out in Appendix B; and

(3) It agrees that the Revenue and Capital Budgets for this Committee be included in the Council's overall 2025/26 Revenue and Capital budget.

535. COUNCIL REVENUE AND CAPITAL BUDGETS 2025/26

The Chair confirmed that before inviting the Group Head of Finance and Section 151 Officer to present the budget report, he proposed to start with the recommendations that had been submitted for this committee to consider from each of the service committees. Each of the recommendations had been set out in supplement pack two circulated to the meeting and uploaded to the web and emailed to Councillors on 11 February 2025. The Chair confirmed that he proposed to take these recommendations on block. The recommendations were as set out below and were from the:

- Economy Committee – 23 January 2025 – Minute 469 – Committee Revenue and Capital Budget 2025/26 - [Page 3 of the supplement pack].
- Planning Policy Committee – 28 January 2025 – Minute 476 – Committee Revenue Budget 2025/26 [Page 4 of the supplement pack]
- Environment Committee – 30 January 2025 – Minute 494 – Committee Revenue and Capital Budgets 2025/26 [Page 6 of the supplement pack]
- Housing & Wellbeing Committee – 4 February 2025 – Minute 505 – Committee General Fund Revenue and Capital Budgets 2025/26 [Page 7 of the supplement pack] and Minute 506 – Housing Revenue Account budgets 2025/26 [Pages 8 and 9 of the supplement pack].
- Corporate Support Committee – 6 February 2025 – Minute 518 – Committee Revenue and Capital Budgets 2025/26 [Page 11 of the supplement pack]

Having had these recommendations proposed by Councillor Birch and seconded by Councillor Nash, the Committee

RESOLVED – That

(1) The Revenue and Capital Budgets for this Committee [the Economy Committee] be included in the Council's overall 2025/26 Revenue Budget;

(2) The Revenue Budgets for this Committee [the Planning Policy Committee] be included in the Council's overall 2025/26 Revenue Budget;

(3) The Revenue and Capital Budgets for this Committee [the Environment Committee] be included in the Council's overall 2025/26 Revenue and Capital budget;

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(4) The Revenue and Capital Budgets for this Committee [the Housing & Wellbeing Committee] be included in the Council's overall 2025/26 Revenue Budget;

(5) The Housing Revenue Account (HRA) Budgets 2025/26 be included in the overall 2025/26 budget; and

(6) The Revenue and Capital Budgets for this Committee (the Corporate Support Committee) be included in the Council's overall 2025/26 Revenue and Capital Budget.

The Chair confirmed that he would now focus on the whole budget for 2025/26. Before inviting the Group Head of Finance and Section 151 to present the budget to the Committee, he drew Members' attention to the budget report which had been circulated separately to the agenda and emailed to Councillors and published as a supplement on 5 February 2025. The appendix 6 accompanying this report could be found in the main agenda pack.

The Group Head of Finance and Section 151 Officer presented the key elements of his report. Firstly, he confirmed that the Local Government Finance Settlement had been announced on 3 February 2025 coinciding with the publishing of this agenda. This meant that the figures set out in the report were slightly different to the final settlement, which would be explained later in his presentation. Members' attention was then drawn to the Council's Core Spending Power (CSP) figure, which was central government's assessment of the resources required to fund service delivery and was the mechanism by which the council's non-ring fenced grants were calculated. Paragraph 3.2 of the report set out the year-on-year comparisons and what had been confirmed for 2025/26. It was important to highlight that the CSP had not changed year-on-year and so presented an erosion in the buying power of its non-ringfenced grant allocations. However, in addition to the grants announced as part of the LGFS, the council would receive a new payment in 2025/26 of £1.442m in respect of the Extended Producer responsibility for packaging (EPR). This sum had been guaranteed for 2025/26, but future year's payments could fluctuate depending upon the level of receipts from producers. It was outlined that the EPR payments had been taken into consideration by government in calculating the CSP figures showing that this represented a 7% increase in core spending for 2025/26. Returning to the Local Government Finance Settlement mentioned earlier, the council would also be receiving some financial support for the increased employer's national insurance contributions from April 2025. The sum received had been £100k higher than detailed in the report providing additional contingency.

The council had also received a significant increase (about £800k) in Homelessness Prevention Grant (HPG) for 2025/26, though no indication had been provided if this level might continue for future years.

The council's spending requirement had increased by £1.1m since 2024/25; changes in service costs had increased roughly by £0.5m with homelessness costs being a contributory factor as well as (pay and contract inflation and national insurance increases). Furthermore, corporate costs had also increased mostly due to £0.5m being set aside as a contingency to provide protection against unexpected events. This had been offset mainly by additional income from Council Tax and the EPR payment. It was important to highlight that the budget deficit had reduced from £3.56m in 2024/25 to £1.8m in 2025/26.

Members' attention was then drawn to the HRA budget, for 2025/26 as there was a surplus forecast of £0.6m which was an improvement of £0.1m from the 2024/25 budget taking the reserve balance to £1.55m by 2025/26 year end. It was highlighted that this improvement was subject to Councillors passing the recommended 2.7% increases proposed for HRA rents and service charges.

Under the capital programme, a new scheme was proposed as part of the budget setting process which was a new back-office system for HR and Payroll. This had been approved by the Corporate Support Committee on 6 February 2025 but was subject to approval by this Committee and Full Council. This meant that there would be a figure to add into the capital programme which could not be published at this time as this was classed as commercially sensitive information. The delivery of the financial strategy would be partly dependent upon capital investment and affordability with the programme being kept under constant review.

In presenting the budget, the Group Head of Finance and Section 151 Officer was required by law to make two statutory statements around the robustness of estimates and the adequacy of reserves. The Section 151 Officer was confident that the assumptions confirmed in the report remained robust.

The Group Head of Finance and Section 151 Officer stated that he wished to update the Committee on the budget consultation undertaken. In addition to undertaking the usual consultation through each of the Service Committees and with non-domestic rate payers, a wider public consultation process had taken place on the council's web site as launched last year. The results of this consultation had been outlined in Appendix 5.

Before inviting questions from Members, Councillor Birch then proposed the recommendations set out in the report which were seconded by Councillor Nash.

The Chair then invited questions from Members. Comments were made in respect of the budget consultation undertaken and the top three areas mentioned in the survey completed by members of the public. This showed public support for increasing spending on funding for economic development, parks and play areas and community development. Had funding increased or decreased in the budget covering those areas? The Group Head of Finance and Section 151 Officer outlined that in the budget report it had been made very clear that the only increases in spend for 2025/26 were covering homelessness/TA costs which could not be avoided and some growth in terms of delivering the financial strategy work streams.

Questions were then asked around areas where the public wished to decrease expenditure. The top of the list was the cost of elections and voter registration. Had the cost of this service increased or decreased and what had been done to address the public's point of view? The Group Head of Finance and Section 151 Officer in response stated that he would have to check the Corporate Support Committee budget in terms of elections, but he could confirm that regarding economic development expenditure this had not been reduced. Councillors had been informed via email; the budget was lower because there was expected additional income from land charges.

Returning to the HRA budget, the proposed implementation of new service charges was a difficult realisation to accept as this would be another severe financial burden for many who were already struggling to pay rent, utility bills and had other financial difficulties. The Equality Impact Assessment that had accompanied the report considered by the Housing & Wellbeing Committee in June 2024, in looking at the social and economic disadvantaged, confirmed that 54% of the council's tenants were struggling financially. A response had been received from the Section 151 Officer to a question raised on this outside of the committee where it was confirmed that some residents were looking at a maximum increase of £520 per annum for additional charges. There were three very deprived wards in the Arun district and so one member confirmed that he could not support this recommendation.

Looking at the financial strategy there were concerns expressed around the Fair Funding Review and particularly recommendation (m) which the Council would be asked to note regarding usable revenue reserves and reference made to the significant improvement made from previous years. In accounting for the update provided by the Group Head of Finance and Section 151 Officer regarding the EPR payment, had this not been received the council would be looking at £3m which was not much different from the year before. The question being asked was what the council was doing to reduce budget deficit as not much could be seen in the budget that would be addressing this.

In response, the Group Head of Finance and Section 151 Officer firstly addressed the question raised around the cost of elections and he confirmed that this had increased by around £13k year on year and that more detailed information could be provided. Turning to the Financial Strategy and the budget deficit, Council had approved £1.5m of savings in the 2024/25 budget, most of which was expected to be delivered this year and would have been built into the base budget for 2025/26. When the Financial Strategy had been approved last year, officers highlighted that it would take time to deliver on some of these work streams with results expected to come to fruition in 2025/26. It was accepted that the draw down from reserves would have been greater had it not been for the EPR payment. The Group Head of Law & Governance & Monitoring Officer responded to the point raised regarding voter registration highlighting that the budget in place was reacting to increases in voter registration numbers including overseas voters and the removal of limitations around their registration. This work had to be funded.

Other Councillors confirmed support for the new service charges set at 2.7% and the de-pooling of service charges. De-pooling had been introduced by most housing service providers as it was essential to use all methods to bring the HRA reserve level back up to £2m. The Group Head of Housing and Wellbeing provided additional information in relation to this and confirmed that a hardship fund would be introduced for residents to access who were not in receipt of benefits so the wellbeing of tenants who were struggling financially was being addressed.

Further questions were asked and one of these related to the budget in place for sheltered accommodation which had been set at £4.6m for 2025/26. It was hoped that a report would be submitted to a future committee confirming the approach that would be taken in pushing the project forward, covering procurement and scoping this project work. The Group Head of Housing and Wellbeing could not confirm a specific timeline for this project but could confirm that work on preparing feasibility studies and ground inspections had commenced. The intention was to bring a report to the Housing & Wellbeing Committee in the new financial year.

Councillor Nash, as seconder to the recommendations, paid tribute to the work that has gone into preparing the budget and the consultation process that sat alongside it. He confirmed that the budget was a good news story and confirmed that the HRA was healthier; with the council being in a good position to continue to deliver all its services including key regeneration projects in Littlehampton and Bognor Regis.

Councillor Birch, as proposer to the recommendations, urged the Committee to support the budget which had been scrutinised by all service committees.

In undertaking the vote on all the recommendations, 4 Councillors voted for the recommendations and 4 voted against. As this vote was tied, the Chair used his casting vote and confirmed he was voting for the recommendations.

The Committee

RECOMMEND TO THE SPECIAL MEETING OF THE COUNCIL ON 26 FEBRUARY 2025 – That

- (1) The General Fund budget as set out in Appendix 1 is approved;
- (2) Arun's Band D Council Tax for 2025/26 is set at £214.62, an increase of 2.99% over 2024/25;
- (3) Arun's Council Tax Requirement for 2025/26, based on a Band D Council Tax of £214.62, is set at £14.354 million, plus parish precepts as demanded to be transferred to the General Fund in accordance with statutory requirements;
- (4) The HRA budget as set out in Appendix 2 is approved;

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(5) HRA rents are increased by 2.7% to give an average rent of £115.64 per week for 2025/26 in accordance with the Regulator of Social Housing guidance (Rent Standard 2020 and Limit on annual rent increases 2025/26 publications);

(6) That HRA garage rents are increased by 2.7% to an average rent of £16.04 per week (excluding VAT);

(7) That existing HRA sheltered service charges for communal heating, lighting and water/sewage charges be increased by 2.7% plus additional increases on a scheme-by-scheme basis to cover retrospective increases in utility costs, with the aim of balancing costs with income;

(8) That new communal service charges are introduced from 1 April 2025 as agreed in the Service Charge Policy and De-pooling of Charges report to Housing & Wellbeing Committee on 19 June 2024;

(9) The General Fund and HR Capital Programme as set out in Appendix 3 is approved; and

(10) That the HR/Payroll system is included in the Council's Capital Programme, subject to approval of the scheme by Full Council.

The Council is requested to note:

(11) That the Group Head of Finance and Section 151 Officer, in consultation with the Leader of the Council has approved a tax base of 66,877 for 2025/26;

(12) That the HRA budget will provide a surplus of £0.66m which will increase HRA forecast balances to £1.55 m bringing them closer to the Council's set minimum balance of £2 million;

(13) That the General Fund budget will draw down £1.885 m of the Council's Usable Revenue Reserves as set out in Appendix 4. However, it should be noted that the level of draw down is a significant improvement from the budgeted draw down of reserves in previous years, (£3.55 m and £5.19 m in 2024/25 and 2023/24 respectively); and

(14) The results and commentary of the public budget consultation process as summarised in Appendix 5.

536. ITEMS PUT FORWARD FROM SERVICE COMMITTEES

The Chair confirmed that there were recommendations for the committee to consider from the Housing & Wellbeing and Corporate Support Committees as detailed below.

537. SPECIAL HOUSING & WELLBEING COMMITTEE - 17 DECEMBER 2024

The committee received the minutes from the meeting of the Special Housing & Wellbeing Committee held on 17 December 2024, which had been circulated separately to the agenda. The Chair drew Members' attention to a recommendation at Minute 344 regarding the Warm Homes Bid and he alerted Members to the Officer Report that had been provided accompanying the minutes.

The Chair confirmed that, as per section 3.2.1 of the Constitution, the approval of a virement of £2.2m from the Housing Improvements and Efficiencies budget over the period 2025/26 to 2027/28.

Prior to commencing debate on this item, Councillor Birch proposed the recommendation which was seconded by Councillor Nash.

The Committee

RESOLVED

That as per section 3.2.1 of the Constitution, a virement of £2.2m be approved from the Housing Improvements and Efficiencies budget over the period 2025/26 to 2027/28.

538. CORPORATE SUPPORT COMMITTEE - 6 FEBRUARY 2025

The committee received the minutes from the meeting of the Corporate Support Committee held on 6 February 2024, which had been circulated separately to the agenda and emailed to Councillors and uploaded to the website on 11 February 2025. The Officer's report had been provided in the main agenda pack at pages 81 to 97 and the Chair confirmed that this included an exempt business case containing commercially sensitive information. Should the committee wish to discuss the content of that business case, then it would be necessary to move into exempt business.

The Chair confirmed that there were recommendations for the committee to consider at Minute 519 (Procurement of Human Resources and Payroll System). In formally proposing the recommendations, Councillor Lury confirmed that a small amendment needed to be made to the second recommendation to correct an error in the officer's job title from the Group Head of Organisational Development to the Group Head of Organisational Excellence. Councillor Lury proposed this amendment in formally proposing both recommendations which were then seconded by Councillor Nash.

- In inviting debate, a request was made to move into exempt business so that some of the commercially sensitive figures contained within the business case could be discussed.

Councillor Gunner then formally proposed to move into Exempt Business, and this was seconded by Councillor Cooper.

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The Committee

RESOLVED

That under Section 100a (4) of the Local Government Act 1972, the public and accredited representatives of newspapers be excluded from the meeting for the following item of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act by virtue of the paragraph specified against the item.

A range of questions were then asked covering:

- Reasons for the procurement
- The benefits of implementing the new system
- Business options and other alternatives
- Timescales and costs
- Internal resources

The various questions raised were responded to at the meeting with Members being reminded that the current HR and Payroll system would reach 'end of life' by December 2026 as the supplier was withdrawing it from the market which meant there was no possibility of extending the contract. To be able to continue to pay staff and member allowances and other salaries the council needed a new system in place well in advance of this and it was officer intention to go live with a new system in April 2026.

It was explained that there were comments detailed at section 3.2 and 6 in the covering report explaining alternatives to procuring the council's own system at this stage, given the Local Government Reorganisation. Members were reassured that officers had carried out research into other Local Authorities and had concluded that there would be no advantage in trying to share a HR and Payroll system at this time, but consideration needed to be given to the length of contract. In addition to the current system coming to 'end of life' it also used a number of older technologies and section 4 of the report detailed the benefits of a modern and fully integrated new system that would provide the council with, better reporting throughout the organisation in particular for line managers, enhanced and integrated with the council's finance system, improved self-service for staff and managers and a cloud based system which would reduce risk and enhance the council's cyber-security resilience.

The meeting then resumed in public session

Following further debate, there were Councillors confirming that they were very concerned about the current costs ahead of the pending local government reorganisation and that they found it very difficult to understand that there was no other temporary solution that could be used. One Councillor asked if this item could be deferred to allow further work on exploring alternative options? The reasons for not being able to do this were explained.

Having received no further input from the proposer and seconder, the Chair confirmed that he would proceed to the vote. A request was made for a short adjournment to allow one Political Group to discuss this. This was proposed by Councillor Pendleton and seconded by Councillor Greenway. The Chair put this to the vote. As the vote was tied, the Chair used his casting vote and rejected the request to adjourn the meeting.

The Committee

RECOMMENDS TO FULL COUNCIL – that

- (1) It approves the scheme and recommends to Full Council its inclusion in the Council's capital programme; and
- (2) It granted authority to the Group Head of Organisational Excellence to award the contract if bids come within budget, subject to approval of the scheme by Full Council.

539. OUTSIDE BODIES - FEEDBACK FROM MEETING - GREATER BRIGHTON ECONOMIC BOARD - 28 JANUARY 2025

The Chair provided a verbal update to the Committee following his attendance at a meeting of the Greater Brighton Economic Board held on 28 January 2025 confirming that the following matters had been discussed:

- Devolution and local government reorganisation
- Collaborative working to drive economic growth
- The visit in November by the Department of Trade and Industry
- Overseas investors
- Discussions with the new member of the Board – NHS England
- The Sussex Energy project
- Plans for a visit by the Department of Energy
- Decarbonisation plan for Shoreham Airport
- The Sussex Bay project
- Rail links between Brighton and Cambridge

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540. WORK PROGRAMME

In receiving and noting the committee's work programme for the remainder of the municipal year 2024/25, the Chair informed the committee that for future meetings it would receive a rolling work programme as this had been requested by Members. All committees would also provide this rolling work programme starting from the next cycle of meetings.

(The meeting concluded at 8.20 pm)