



Email: committeeservices@horsham.gov.uk
Direct line: 01403 215465

Finance and Assets Policy Development Advisory Group

Wednesday, 31st August, 2016 at 5.30 pm
Howard Room, Parkside

The Access to Information Procedure Rules are not applicable to Policy Development Advisory Groups and members of the public may not attend.

Members of the Council who are not members of the Policy Development Advisory Group may attend to observe the proceedings, seating for which will be provided, subject to providing advance (by noon of the day of the meeting) written notification to the Chairman and clerk of the meeting.

Councillors:

Brian Donnelly (Chairman)

John Bailey
John Chidlow
Paul Clarke
David Coldwell
Leonard Crosbie

Nigel Jupp
Adrian Lee
Tim Lloyd
Stuart Ritchie
Simon Torn

You are summoned to the meeting to transact the following business

Agenda

	Page No.
1. Apologies for absence	
2. To approve the notes of the previous meeting	3 - 6
To approve as correct the notes of the meeting held on 4 July 2016.	
3. Update on Procurement of a Financial Management System	
The Head of Finance will update the group.	
4. Council Tax Support Scheme	
The Head of Finance will update the group.	

5. **Feedback from the Property Sub-Group**

Feedback from the Cabinet Member on the Property Sub-Group created by the Finance and Assets Policy Development Advisory Group on 4 July 2016.

6. **Suggestions of areas for that the group may consider within its terms of reference.**

The Cabinet Member requested at the meeting of the group on 4 July 2016, that the group bring forward suggestions for the work programme of the group at subsequent meetings.

7. **Forward Plan Extract for the Finance and Assets Portfolio**

To note the Forward Plan extract (if any) for the Finance and Assets Portfolio

Public Document Pack Agenda Item 2

Finance and Assets Policy Development Advisory Group **4 JULY 2016**

Present: Councillors: Brian Donnelly (Chairman), John Bailey, John Chidlow, Paul Clarke, David Coldwell, Leonard Crosbie, Adrian Lee, Tim Lloyd and Stuart Ritchie

Apologies: Councillors: Nigel Jupp and Simon Torn

Also Present: Councillors Mitchell, Relleen and Willett.

1 **APOLOGIES FOR ABSENCE**

Apologies for absence had been received from Councillor Jupp and Torn. Councillors Mitchell, Relleen and Willett were in attendance subject to the provisions for Policy Development Advisory Groups set out in Part 3A (3) of the constitution of the council.

2 **THE TIME OF THE MEETINGS OF THE GROUP FOR THE FORTHCOMING YEAR**

Forthcoming meetings of the Finance and Assets Policy Development Advisory Group would commence at 17:30.

3 **INTRODUCTION FROM THE CHAIRMAN**

Councillor Donnelly provided a short introduction and welcomed members to the group.

4 **WORK PROGRAMME FOR THE FINANCE AND ASSETS POLICY DEVELOPMENT ADVISORY GROUP**

The Chairman re-ordered the agenda to take item five first. The Chairman explained that the council had a commercial property return on investment target of 6% which had been exceeded by 3.06% in 2015-16. Two property disposals had been identified for Cabinet decision on 21 July and the views of Advisory members was sought. Members' discussion of both reports included:

- Whether the Advisory group should have a 'macro' or strategic view of property matters rather than consideration of individual properties;
- That the council's property portfolio was subject to constant review by the Property Manager;
- Current use of the specific assets, including a restrictive covenant on one of the assets, and
- The method and negotiation of the disposals.

The group supported the proposals set out in the report.

The Chairman explained that the predecessor *Property Investment Advisory Group (PIAG)*, had been dissolved as a consequence of governance review. The last meeting of the PIAG concluded that a sub-group of the Finance and Assets Policy Development Advisory Group should be created specifically to consider property acquisitions. The Chairman sought members for the creation of such a sub-group under the provisions of Part 3A (3) of the constitution. The sub-group, Chaired by the Cabinet Member, would be formed of:

- Councillor Jupp (nominated in his absence)
- Councillor Coldwell, and
- Councillor Lee.

Members noted that the chairman may appoint other members of the council as required. Decisions on property acquisitions would follow the 'key decision' provisions in the constitution and the Chairman of the sub-group would report back to the Finance and Assets Policy Development Advisory Group as necessary.

The Chairman asked Members to forward to him topics that they will like to discuss in future meetings.

5 **SUPPORT SERVICES**

The Director of Corporate Resources presented to the group. The group heard that shared services opportunities were being considered with Chichester and Arun councils. The drivers for those considerations were:

- Reduced Government funding for local authorities,
- Opportunity to reduce costs,
- Opportunity to build resilience to protect services to customers,
- Opportunity for staff to broaden experience, and
- That shared services was nothing new – there are many examples in public services already that the council could learn from.

Research by the Local Government Association showed that the most common shared services were back-office based, for example 226 councils shared legal services. Outline business cases had been prepared and three back-office services involving Horsham District Council had been progressed to a detailed business case stage. The three services were Human Resources, Legal and Internal Audit.

The principles that the three councils were guided by were that:

- No partner should be worse off,
- Our customers should be at the heart of everything we do,
- Shared services is a partnership with one authority hosting and delivering the service; and that
- Any operating model should support flexible working.

The Director of Corporate Resources explained the potential projected revenue savings within a 5 year period across the partners as follows:

Service	Partners	Savings
HR	Arun/Chichester/Horsham	£324,000
ICT	Arun/Chichester	£485,000
Customer Services	Arun/Chichester	£305,000
Revenues & Benefits	Arun/Chichester	£338,000
Legal	Arun/Chichester/Horsham	£403,000
Audit	Arun/Chichester/Horsham	£169,000
Total Projected Opportunity		£2,024,000

Those projections include some initial investment in shared computer systems and fewer staff through joint management, service redesign and economies of scale.

The group discussed:

- Maintenance of service levels for customers,
- Potential savings as outlined,
- The success of the first phase of business transformation at the council
- Accommodation considerations for staff
- Staff implications
- Understanding of the performance of any shared services

Cabinet on 21 July 2016 would be asked to agree to develop full business cases and implementation plans for Human Resources, Internal Audit and Legal Services including comparing other delivery options with shared services. Secondly, Cabinet would be asked to contribute £25,000 towards the cost of a project manager and support to prepare the detailed business cases and implementation plan.

The Chairman asked the group for its views on the proposed recommendations to Cabinet. The group were generally in support of the proposals but said it was important the quality of the services to internal and external customers was maintained, especially for Legal Services. The Advisory Group further supported the use of £25,000 to develop the business case and implementation plan.

The meeting closed 18:20.

CHAIRMAN