

**Finance and Assets Policy Development Advisory Group**  
**19 DECEMBER 2016**

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

Apologies: Councillors: John Chidlow and Tim Lloyd

16 **TO APPROVE THE NOTES OF THE PREVIOUS MEETING**

After a short discussion on the accuracy of note 13 (discretionary rate relief) of the meeting of 25 October 2016, the group subsequently agreed the notes of the meetings of 25 October and 29 November 2016, as published.

17 **BRIEFING FROM THE MONITORING OFFICER**

The Monitoring Officer attended the group as requested to explain the national provisions of 'key decision' making; including the requirement to give notice before the making of a key decision, the *Forward Plan*, the role of the Overview and Scrutiny Chairman and the mechanism for the 'call-in' of decisions made but not yet implemented. The revised constitution agreed by Full Council in December had strengthened the understanding of key decisions. The group discussed:

- The importance of understanding the arrangements
- That the Overview and Scrutiny Chairman, when being asked to agree the urgency of a decision, had to act alone, rather than engage the Overview and Scrutiny Committee; and
- Whether the revised constitution was clear on such matters

The Monitoring Officer noted the views of the group and explained that the revised constitution was sound because there had been little change to legislation or regulation concerning key decisions and call-in and the revised constitution had effectively clarified what had not been well-understood previously.

Consequently, the Monitoring Officer advised that clarity and certainty about property investment decisions would be enhanced by the creation of a cabinet sub-committee by the Cabinet at its January meeting. That sub-committee would take on the work of the sub-group formed at the July meeting of the Finance and Assets PDAG. That sub-group would be dissolved upon the creation of the sub-committee.

18 **DRAFT BUDGET 2017/18**

The Head of Finance presented the draft 2017-18 Budget and Medium Term Financial Plan to the group. The presentation detailed:

- Assumptions in 2017/18
- 2017/18 and projected future budget shortfalls
- Future years' assumptions
- Reserves at 31 March 2016
- Projected general fund reserves
- Risks

Members discussed:

- The need for clarity around property investment assumptions, including:
  - a) any revenue impact from the disposal of assets that had not been offset by acquisition at the same or better return
  - b) that existing reserves and the capital generated by the disposal of assets would be preferred to fund property investment, rather than a loan at the currently preferential rate
- The timing and potential short term impact of the change to alternative weekly collection of waste
- The lack of certainty from the government about business rate retention and new homes bonus
- Whether the forecast increase in the number of households had been accounted for in the assumptions

The Chairman and Officers noted the views of the group. The Chairman reminded the group that it had been asked to bring forward ideas directly to the Chairman which could then be tested by officers.

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## **SHARED SERVICES**

The Director of Corporate Resources updated the group on the progress of the shared services projects. She reminded the group that over the last twelve months Horsham, Chichester and Arun councils had been working together to explore the possibility of delivering services on a shared basis. Horsham had been working with the other two councils on proposals to share Internal Audit, Human Resources and Legal services. In July the three Cabinets approved outline business cases for sharing those services subject to the development of detailed business cases to establish the costs, benefits and savings allocation model to be applied. Full business cases had been produced and had been evaluated by senior managers and the conclusions had been discussed with the three Councils' Leaders and relevant Cabinet Members.

Leaders and Officers agreed that the work undertaken to pursue the 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 models, resource levels and systems did not justify the costs and risks of implementation.

In assessing the risks, assumptions, implementation costs and payback periods for each business case, the Programme Steering Board (Chief Executives and the Leader or Cabinet Member of each authority) recommend that none of the proposed business cases be progressed. It was felt that much of the proposed savings could be made in-house. HDC had gained very detailed benchmarking data and analysis of processes as part of the project. This work would be the basis for reviewing existing operating models within the services and applying, where appropriate, those changes that could be delivered to meet the savings target. Officers felt confident that the target of £250,000 could be achieved, and Cabinet would receive a report in January.

The Director of Corporate Resources outlined the discussions underway for each of the three services. Members discussed:

- No longer being constrained by the shared services outline business cases, and the potential benefits of considering alternatives
- Practical aspects of each service, and the need to protect the quality of service; and
- Whether the timescale for delivery could be accelerated.

The Chairman thanked the group for their views and reminded the group of the context of the business transformation programme which had been running for some time. Modern councils were looking at how services were delivered all the time, and Horsham would continue to do so.

*The meeting closed at 19:15.*

CHAIRMAN