

**Overview and Scrutiny Committee**  
**20 MARCH 2023**

Present: Councillors: Tony Bevis (Chairman), Ian Stannard (Vice-Chairman), John Blackall, Ray Dawe, Ruth Fletcher, Billy Greening, Nigel Jupp, Jack Saheid and David Skipp

Apologies: Councillors: John Milne and Bob Platt

Absent: Councillors: Andrew Baldwin, Chris Brown, Tim Lloyd and Diana van der Klugt

Also Present: Councillors: Philip Circus, Paul Clarke and Michael Croker

SO/54 **MINUTES**

The minutes of the meeting held on 23 January 2023 were approved as a true record and signed by the Chairman.

SO/55 **DECLARATIONS OF MEMBERS' INTERESTS**

Minute SO/57 – Councillor Jupp declared that he was a West Sussex County Councillor.

SO/56 **ANNOUNCEMENTS**

There were no announcements.

SO/57 **REPORT ON THE COUNCIL'S FINANCE AND PERFORMANCE IN 2022/23**

The Director of Resources introduced the report on the Council's finance and performance. The report identified performance as at month nine, the revenue position as at month ten and the capital programme as at month eleven.

With regard to the Council's performance, four performance indicators remained in the red and four had moved from green to red.

Those that remained in the red were:

- Households in temporary accommodation and households in bed and breakfast accommodation: It was reported that both were improving through the Council's work at Roffey Place and Saxon Weald.
- Number of fly tipping incidents: It was reported that the number of fly tipping incidents had reduced slightly in December.
- Collection of business rates arrears: It was reported that there had been delays with the transition to a new firm of enforcement agents. Additionally, staff resources had been diverted to deliver various government funded schemes including the energy rebate scheme.

Those that had moved from green to red were:

- Collection of Council Tax arrears: It was reported that this had moved to red for the same reasons noted above for the collection of business rates arrears.
- Quality assurance on the local authority error: It was reported that the Council's external auditor had uncovered some errors with the 2021/22 housing benefit audit, which was in the process of being finalised. Although the value was 0.26 as against a target of 0.4 at month nine, when extrapolated as part of the audit the lower threshold could be crossed resulting in a loss of government subsidy. The Director of Resources advised that this would be reported to the Audit Committee.
- Community triggers: It was reported that this related to five specific instances of anti-social behaviour - as against a target of two - which had occurred in a residential setting. The Director of Resources advised that an increase in community triggers was not necessarily a negative as it could lead to more help being provided to residents.
- Missed bins: 247 bins had been missed during the relevant period as against a target of 210, equating to 26 missed bins per 100,000 collections. The Committee was advised that the actual figure may have been lower due to some software issues experienced over the Christmas period. Crew changes and catch-up rounds may also have led to more bins being missed than usual. Furthermore, the figure had begun to improve.

With regard to the Council's revenue position as at month eleven, an overspend of £0.2 million was forecasted. This was in the context of high inflation and higher than expected salary increases, although the position had been helped by the rapid increase in interest rates which had not been budgeted for. Departments would be checking whether they had any unspent budget that they hoped to carry forward to the following financial year.

With regard to staff salaries, the Director of Resources informed the Committee of the initial national pay offer that had been made by the government for local authority staff for the 2023/24 financial year. Whilst this was only an initial pay offer, if accepted it was likely to result in the Council being over budget by £300,000 before the financial year had begun.

With regard to the Council's debtors, the Director of Resources advised that the Development Management and Legal Services teams were working through a detailed action plan in relation to overdue Community Infrastructure Levy (CIL) and Section 106 payments. This was being monitored and an update would be provided at the next meeting of the Overview and Scrutiny Committee.

With regard to the Council's capital programme as at month eleven, £4.2 million had been spent from a budget of £12.1 million, which was similar expenditure to that of the 2021/22 financial year. The Director of Resources had undertaken some basic analysis of some of the causes of the level of expenditure which was set out in the agenda report. He explained that in some instances it was

advantageous not to have spent the money that had been budgeted as many of the Council's capital projects did not have a financial return.

Following the report by the Director of Resources, the Head of Property and Facilities gave a presentation on Horsham District Council projects. This included major projects delivered since 2016, the project approval process, post approval processes and risks and examples of project challenges.

The Head of Property and Facilities raised the following discussion points: the budget approval process should recognise that major projects took time to deliver; that it could be beneficial not to deliver a project on time as this meant that the Council could generate a return on the money; and that there was a range of criteria that could be used to determine the success of a project.

With regard to the discussion points, the Director of Resources explained that there were likely to be a number of different solutions and he would be spending time working out what these were. Different approaches such as setting an initial exploratory budget for some of the Council's larger projects would be tried. A timetable for this work would be shared.

Members had an opportunity to make comments and ask questions. Among the matters raised were:

- **Overly optimistic timescales:** The Director of Resources explained that the Council's capital programme was generally only approved one year at a time. A more flexible approach had, however, been taken with the 2023/24 capital programme in that some of the larger projects had been approved in their entirety and would be profiled at a later stage. With regard to a reference made to the Horsham Skatepark project, he advised that lessons had been learnt and the Council's Parks and Countryside team was now much better at factoring in long consultation periods.
- **Constraints on project delivery:** The Director of Resources acknowledged that there was a capacity issue. Officers had consistently delivered up to about £8 million worth of projects in recent years and were being expected to be able to deliver a £12.1 million capital programme. In response to a comment made in relation to increasing project management capacity, the Director of Resources explained that capacity would need to be increased across the Council, not just within the project management team. The Head of Property and Facilities added that not all projects were entirely managed internally. Some projects required someone to manage the process whereas others required technical project management, which was always someone external for the larger construction projects.
- **The ongoing impact of Covid-19:** The Head of Property and Facilities advised that, whilst it was difficult to isolate Covid-19 lockdowns as having an impact on project delivery, in his experience it had been more difficult to get deals documented post-pandemic.
- **Comparison with other local authorities:** The Director of Resources expressed the view that other councils probably lived with a delivery rate of about 70%.

- In response to a question asked in relation to whether the Council's processes could be improved, the Head of Property and Facilities acknowledged that the processes were not perfect, but this was something that he did look at. As projects involved dealing with other organisations and many individuals, they did take time.
- The Head of Property and Facilities provided an update on the Hurst Road residential project.
- With regard to a comment made in relation to the Council's use of external consultants, the Head of Property and Facilities explained that when he had joined the Council, he was responsible for 21 full-time equivalent (FTE) employees but very few projects were being delivered. His current team of only 6 FTE employees was delivering much more with the use of external consultants. He also explained that it was difficult to recruit staff that were suitably experienced.
- A suggestion was made that a RAG (Red-Amber-Green) rating be provided for the various projects referred to in the agenda pack. The Director of Resources advised that he would need to work out how such a rating would be evaluated, as there were a number of factors that could be taken into account including financial, social and environmental factors. He had, however, colour coded the current spend for each project in the document contained within the agenda pack.

SO/58 **LOCAL AUTHORITY HOUSING FUND UPDATE**

The Director of Resources gave a verbal update on the Local Authority Housing Fund. The Council would be receiving £2.6 million in government grant funding, to which it would add £3.2 million of its own resources. A report was going to the Cabinet meeting on 23 March and it was proposed that the Council would purchase the properties and lease them to the Council's housing company. The report recommended that 16 properties be purchased in consultation with the Cabinet member for Housing and Communities and that the shareholders' agreement be amended to include provision for the lease.

With regard to collection of the rental income, the Head of Finance and Performance, who was also one of the directors of the Council's housing company, confirmed that the Council would collect the rent on behalf of the housing company.

The Chairman agreed to provide feedback to the next Cabinet meeting on views expressed by the Committee.

SO/59 **FINAL REPORT OF THE TASK & FINISH GROUP ON THE USE OF CONSULTANTS**

Councillor Skipp, who had been the Chairman of the Task and Finish Group on the use of Consultants, introduced the Group's final report. The Group, which comprised Councillors Circus, Clarke, Milne and Skipp, had considered the use of consultants within the Council's Economic Development, Strategic Planning and Development Management teams and had held discussions with Heads of

Service in each of those teams. Overall, the Group had been quite impressed with how the departments made use of consultants and were satisfied that it represented value for money. The Group's recommendations were detailed in the agenda report.

A member of the Task and Finish Group commented that he wished to see officers taking a more positive approach to sharing services with other local authorities, as this could prevent the need for referrals to external consultants.

Some discussion was had as to who would be regarded as the 'relevant Member(s)' referred to in the first of the Task and Finish Group's recommendations. Concern was raised that a Member may assume authority on a matter that should be determined by officers.

## RESOLVED

To note the findings of the review and ask the Chief Executive:

- (a) if appointing a consultant following a Motion to Full Council or a decision of a statutory Committee, to instruct the Head of Service to discuss the content of the brief with relevant Member(s) to ensure the brief fully captures the intention of the decision or request; and
- (b) to support the Heads of Service to continue their current good practice in seeking opportunities for:
  - (i) joint recruitment of specialists with other authorities with a view to reducing reliance on consultants;
  - (ii) joint recruitment between Horsham District Council services that cover similar technical areas;
  - (iii) introducing further professional training in key skill areas where the Council currently appoints consultants; and
  - (iv) following recommendations (i) and (iii) above, ask the Heads of Service to report to a future meeting of the Overview and Scrutiny Committee within 2 years of the date of this meeting on matters looked into and decisions made.

## SO/60 **OVERVIEW & SCRUTINY WORK PROGRAMME**

It was noted that a report on the Council's financial performance would be received at the meeting on 5 June.

A Member expressed their disappointment that the Portfolio Holder for Leisure and Culture had not been in attendance at the meeting to take questions on Horsham Museum and the District's leisure centres.

SO/61 **CABINET FORWARD PLAN**

The Chairman advised that a report on the draft Climate Action Strategy would be considered at the Cabinet meeting that week. It was suggested by a Committee member and agreed by the Chairman that, as a number of Committee members had not read the report, it would be considered at a future meeting.

The Cabinet item on local listed buildings adoption was noted.

SO/62 **URGENT BUSINESS**

There was no urgent business.

*The meeting closed at 7.12 pm having commenced at 5.30 pm*

CHAIRMAN