

Overview and Scrutiny Committee
25 SEPTEMBER 2023

Present: Councillors: Paul Clarke (Chairman), Anthony Frankland (Vice-Chairman), Sam Bateman, Tony Bevis, Mike Croker, Len Ellis-Brown, Nigel Emery, Alex Jeffery, Dennis Livingstone, Jonathan Taylor and Belinda Walters

Apologies: Councillors: Philip Circus, Malcolm Eastwood, Liz Kitchen and Mike Wood

SO/23 **MINUTES**

The minutes of the meeting held on 17 July 2023 were approved as a true record and signed by the Chairman.

SO/24 **DECLARATIONS OF MEMBERS' INTERESTS**

There were no declarations of interest.

SO/25 **ANNOUNCEMENTS**

There were no announcements.

SO/26 **ANNUAL CRIME AND DISORDER UPDATE**

The Director of Resources introduced the report of the Head of Housing and Community Services. He agreed to pass on any questions on the content of the report that he was unable to answer to the Head of Housing and Community Services in order that a response could be provided.

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

- The Director of Resources clarified that the Council was ranked second out of seven districts and boroughs for total crime and the 'green' rating indicated that the Council was doing relatively well.
- The reasons why the Public Spaces Protection Order was due to lapse on 31 March 2024 and whether that decision could be revisited. The Director of Resources agreed to obtain a written response.
- Whether more areas in the district could be covered by wardens. The Director of Resources advised that wardens were funded by the parish councils, therefore this would depend on whether the parish council wanted to fund it. In the town centre, which was an unparished area, the wardens were funded by the special charge.

The report was noted.

SO/27 **REPORT ON THE COUNCIL'S FINANCE AND PERFORMANCE**

The Director of Resources introduced the report on the Council's finance and performance. The report identified the revenue position as at month four, capital expenditure as at month four, and performance for quarter one.

In terms of revenue performance, the Council's expenditure was being matched by its income. However, the Director of Resources explained that overspends resulting from inflation and salary pressures were being met by additional investment income being received as a result of high interest rates and high treasury management balances. There was a big risk that a reduction in interest rates or treasury management balances could result in there being insufficient income to cover the Council's costs.

In terms of the capital programme, Members were advised that progress remained weak. The budget for the capital programme had been increased by almost £3 million due to the addition of Site A, Site B and the Local Authority Housing Fund Round 2, none of which had been spent yet; however, this was unsurprising given that these were more recent additions to the programme. The Director of Resources considered it highly unlikely that as much as 90% of the capital programme would be spent by 31 March 2024, and he and the Head of Finance and Performance were challenging the forecast received from budget holders.

Notwithstanding the above, spending on the Local Authority Housing Fund Round 1 was largely on track with £2.2 million having been spent as at month four. Of the sixteen properties that were due to be purchased, nine had completed and tenants had begun to move into some of them. The remaining seven properties were under offer. One of those properties was unlikely to meet the completion deadline of 30 November 2023 as a Grant of Probate was required and was unlikely to be received in time, however, the government had agreed to completion taking place at a later date given that the circumstances were beyond the Council's control.

Key performance indicators for the first quarter (where available) were provided in Appendix A to the report. Six key performance indicators were amber and seven were red, which was a slight improvement on the previous quarter where six key performance indicators were amber and eight were red. The Director of Resources highlighted the following:

- Health and wellbeing interventions for working age residents and health and wellbeing interventions for over working age residents: The service had been interrupted by the move to a new premises, and it was hoped that these performance indicators would soon return to green from red.
- Households in temporary accommodation and households in bed and breakfast accommodation: There continued to be a huge demand for accommodation and, despite the actions that the Council had been taking to address that demand, it was expected that these performance indicators would remain red for some time.

- Collection of business rates arrears: This performance indicator had moved from red to green.
- Quality assurance on the local authority error: This area remained red as it continued to present a risk, albeit the service was working through a very detailed improvement plan.
 - 2021/22: £15,000 of the lost subsidy of £65,000 had been reimbursed as a result of an adjustment to underlying entitlement.
 - 2022/23: The pre-audit figure was 0.55%, which exceeded the upper threshold of 0.54% and equated to a loss of subsidy of £123,000. As this figure was pre-audit, any errors found during the audit that were extrapolated would result in additional subsidy being lost.
 - 2023/24: The cumulative error rate as at month five was 0.31%, and it was forecasted that the rate would remain just below the lower threshold of 0.48% at the end of the year. However, this figure was pre-audit and any errors found during the audit could lead to the lower or higher thresholds being exceeded.

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

Revenue

- How sensitive the Council's investment income was to interest rates. The Director of Resources explained that there were many variables within the Council's treasury management and the Council's investment strategy sought to spread the risk.
- Whether the Council's investment strategy should be reviewed in view of treasury returns being similar to commercial property returns, and commercial property having more risk attached to it. The Director of Resources advised that the Council tried to maintain a balanced portfolio in order to spread the risk, and the Head of Property and Facilities constantly kept the Council's commercial property investments under review.
- Whether the Council had a policy for writing off bad debts or if this was based on a subjective judgment. The Director of Resources confirmed that it was a professional judgment. He was always reluctant to write off debts, but in some instances there was no prospect of receiving the money. He was hopeful that there would be a resolution to the two largest debts identified in the report. The fourth largest debt identified in the report, which had been outstanding for a number of years, could be written off.

Capital Programme

- The three capital forecasts that had not been returned. The Director of Resources advised that he did not think that these were material to the statistics for month four. He would ensure that these forecasts were provided for month six, and that all forecasts were more realistic.
- A request for an update on improvements to rural car parks. The Director of Resources agreed to provide an update later that week.

- Whether the works to Arun House to prepare it for future use should be funded by West Sussex County Council. The Head of Finance and Performance agreed to find out.

Performance

- Whether the potential liability in relation to the local authority error could be quantified. The Director of Resources advised that it could not, as it depended on the outcome of the audit.
- Whether the Council's practices and systems for administering housing benefit were as robust as they could be. The Director of Resources explained that the process would never be perfect, which is why the government allowed a certain amount of tolerable error. The difficulty was that, even though current data could be cleansed, historical errors still had a big impact.
- Whether the length of time to calls being abandoned was measured. The Director of Resources advised that a number of statistics were collected, and he would need to check whether that was one of them.
- How the abandonment rate for calls was determined. The Director of Resources advised that he believed it was an average over three months. The outturn for the year would be provided at the end of the year.
- Whether the performance indicator for incoming calls abandoned included Revenues and Benefits calls and, if not, how these were measured. The Director of Resources confirmed that the figure did not include calls to Revenues and Benefits, which was a service provided by Milton Keynes Council. He agreed to find out what statistics existed for the Revenues and Benefits service and whether these could be provided to the Committee as part of the finance and performance report.
- That the Council did not appear to have a telephone hold message advising that certain tasks could be completed online. The Director of Resources agreed to take that point away.
- In relation to the performance indicator for health and wellbeing interventions for over working age residents, how 'over working age' was defined. The Director of Resources agreed to find out.
- Whether the Council monitored the outcome of complaints to the Information Commissioner in relation to Freedom of Information requests. The Director of Resources confirmed that this was monitored. Heads of Service were reported to monthly and the Senior Leadership Team was reported to quarterly.
- In relation to the performance indicator for income from Horsham District Council owned and managed commercial and industrial estate space, why the target was so low compared to the income. The Head of Finance and Performance explained that this was due a timing difference linked to when the Council invoiced for the income. She confirmed that this would be corrected.
- In relation to the performance indicator for the number of refuse, recycling and garden waste collections confirmed as missed, how the target of 216 was derived. The Director of Resources advised that he would need to report back with regard to the target, but it was very low in

relation to the number of collections and, in his view, needed to be recalculated.

- In relation to the performance indicator for customer assurance, what was meant by 'small' data protection breaches. The Director of Resources explained that one incident involved a third party that had retained deleted council data and had been hacked, and there was a possibility that the data had been accessed. Another incident involved a third party that the Council used for transferring files being hacked. Whilst one data breach was too many and the Council could take steps to mitigate the risk, it could not prevent it from happening.
- Who set the key performance indicators and when the appropriate time to review them was. The Director of Resources explained that there were one or two key performance indicators that reflected government targets, but it was for the Council to choose its key performance indicators, taking into account the Council Plan. The most appropriate time to review them was from 1 April. He suggested that Members might wish to start to give some thought to any changes they wished to make.

The Director of Resources reminded Members that by submitting questions to him in advance, he could bring responses to the Committee.

SO/28 **UPDATE FROM TASK AND FINISH GROUPS**

Councillor Bateman presented the Task and Finish Group's Terms of Reference. She advised that the Group had narrowed its Terms of Reference to focus on older girls and teenagers aged 12 to 17, to improve the deliverability of the project. In response to a question asked as to why that particular age group had been chosen, Councillor Bateman explained that a lot of research already existed in relation to that age group and it was felt that it was the most overlooked demographic group. It was also considered that, by focusing on a younger age group, it was more likely that lifelong habits could be changed.

A query was raised as to why the scope of the Task and Finish Group had been limited to a certain age group, as it was felt that people of different ages struggled to engage in exercise. Councillor Bateman explained that she wanted to avoid a blanket approach as a person's needs and wants changed dependent on where they were in their life.

In response to a question asked as to how the data would be gathered, Councillor Bateman explained that, having consulted the Council's Communications team, the proposal was to visit Collyer's and secondary schools in order to speak to groups of people that were within the target age bracket. A comment was made in relation to the importance of not making assumptions when gathering the data.

In response to a question asked in relation to where the policies were that would be subject to review, Councillor Bateman explained that the first step was to identify them.

In terms of the timescale for the Task and Finish Group to complete its work, Councillor Bateman indicated 12 to 18 months. The Democratic Services Officer advised that nearer the 12 months could be worked towards. A Member highlighted that this might not coincide with the progression of the Horsham District Planning Framework (the Local Plan) and suggested exploring whether creating a supplementary planning document was a possibility.

The next step was for the Task and Finish Group to hold its first meeting.

SO/29 **WORK PROGRAMME**

The Chairman advised that he would probably invite the Cabinet Member for Finance and Resources to the Committee's November meeting. He explained that members of the Committee would be asked to submit questions for the Cabinet Member to Democratic Services in advance of the meeting.

A suggestion was made that the Council Plan be added to the Committee's work programme. The Chairman anticipated that this would be considered at either the November or January meeting.

A suggestion was also made that the Council's plan to reach net zero carbon emissions by 2050 be added to the Committee's work programme once it had crystallised.

SO/30 **CABINET FORWARD PLAN**

The Cabinet Forward Plan was noted.

SO/31 **URGENT BUSINESS**

There was no urgent business.

The meeting closed at 6.46 pm having commenced at 5.30 pm

CHAIRMAN