

Performance, Finance and Customer Focus Overview and Scrutiny Committee

Wednesday 26 July 2023

PRESENT:

Councillor Darcy, in the Chair.
Councillors Allen, Blight, Hendy, Luggar (as substitute for Councillor Bingley), McLay (as substitute for Councillor Poyser), Moore, Reilly (as substitute for Councillor Goslin), Ricketts, Stoneman, Tofan, Tuffin (as substitute for Councillor Stevens) and Tuohy.

Apologies for absence: Councillors Bingley, Goslin, Poyser and Stevens.

Also in attendance: Councillor Lowry, Councillor Penberthy, Ross Jago (Head of Governance, Performance and Risk), David Northey (Interim Service Director for Finance) and Helen Rickman (Democratic Advisor).

The meeting started at 1.00 pm and finished at 2.45 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

1. **To Note the Appointment of the Chair and Vice Chair for the Municipal Year 2023/2024**

The Committee noted the appointment of Councillor Darcy as Chair, and Councillor Goslin as Vice Chair for the municipal year 2023/24.

Under this item the Chair thanked Councillor Penberthy, who was in attendance, for his stewardship of the committee for 2022/2023.

2. **Declarations of Interest**

The following declarations of interest was made by Members in accordance with the code of conduct:

Member	Subject	Reason	Interest
Councillor Stoneman	Minute number 10 'Petition – Plympton District Carparks'	Family Member works in the Council in that department.	Personal

3. **Minutes**

The Committee agreed the minutes of 22 February 2023 as an accurate record of the meeting.

4. **Chair's Urgent Business**

Under this item the Chair advised Members of an update with regards to agenda item number 10 'Petition – Plympton District Carparks'

It was highlighted that both Councillors Nicholson and Mrs Beer that coordinated the petition were unable to attend the meeting. In order to facilitate their attendance and allow their input on the discussion of this matter, it was agreed that this item would be deferred.

The Committee agreed to defer the 'Petition – Plympton District Carparks' item to the September scrutiny meeting.

5. **Terms of Reference**

The Committee agreed to note the terms of reference for the Performance, Finance and Customer Focus Overview and Scrutiny Committee.

6. **Corporate Plan Performance Report - Q4 2022-23**

Councillor Penberthy (Cabinet Member for Housing, Co-operative Development and Communities) and Ross Jago (Head of Governance, Performance and Risk) presented the Corporate Plan Performance Report Q4 2022-23 and highlighted the following key points:

- (a) Performance was an area that was scrutinised by all of the scrutiny panels, however the Performance, Finance and Customer Focus Overview and Scrutiny Committee panel had the responsibility for the overarching performance framework for the Council;
- (b) this was the fourth and final report for the last financial year and was therefore the previous administrations report on the corporate plan – the report covered the period January to March 2023;
- (c) the work undertaken with SME (small to medium enterprises) within the PL postcode to boost local economy was positive and figures were continuing to grow;
- (d) there was a consistent reduction in repeat referrals to children's social care;
- (e) business rate collection had increased to 99%;
- (f) there were still some performance challenges that would be prioritised as a new administration, including:

- the percentage of household waste sent to recycling, reuse or composting had seen a significant reduction over the past year. The downward trend from the previous year showed the Council was 8% shy of its target;
 - the city survey showed that during 2022 there was a reduction in the percentage of people who believed that their area was a place where people from different backgrounds could get on well together – in 2021 there was a high of 55% but now dropped to 42% in 2022;
- (g) the corporate plan on page 35 of the agenda pack was not the Council's corporate plan any longer as it had been replaced; the new administration would revisit what the performance framework looked like and would mirror the five plus two: the five priorities and the two sections on growing up and growing old well in the city. Officers would undertake work to benchmark against other authorities' performance;
- (h) there was a new Government office that had been launched in last few weeks, namely the Office of Local Government; it was launched as a new local government performance body and was part of the Department of Levelling Up, Housing and Communities. It had three strategic objectives: to empower citizens with further information about their local authority, secondly to build on local leaders and councils knowledge of their services, and thirdly to increase central government's understanding of local government performance highlighting excellence and identifying risks of failure to facilitate timely support. The new data comparator tool had recently published data covering adult social care, adult skills, waste management and local authority finances;
- (i) the government department had also launched a consultation into new statutory guidance of what constituted best value and the standards that local authorities were expected to meet by Government and residents – that was due to close on 15 August.

In response to questions raised it was reported that –

- (j) in terms of the increase in full time equivalent work days lost to staff sickness it was acknowledged that this was a worrying increase; it was expected that this was generally due to a small number of staff that were on long term sick. The Council's corporate management team had discussed this issue and with the arrival of the new interim Service Director for HR, she was keen to change the emphasis away from managing absence to managing attendance. It was confirmed that Councillor Dann would be approached to provide a written response to that question and this would be provided to Members;
- (k) the downward trend in percentage of people who believed that their area was a place where people from different backgrounds could get on well together was considered to be because a whole variety of reasons. Work was to be undertaken to assess the ward analysis to accompany this data. It

was hoped that work relating to the welcoming city programme would be submitted to the scrutiny panel in the future for pre-decision scrutiny;

- (l) with regards to the downward trend of data linked to residents that felt safe during the day, this was the responsibility of Councillor Haydon and the Community Safety Partnership. Scrutiny had previously asked the CSP into scrutiny to talk about hate crime – it was suggested that it might be helpful to invite them to a future meeting for a deep dive into the feeling of safety;
- (m) with regards to the red risk rating and decline in data linked to ‘engaging with and listening to our residents, businesses and communities, and how to get involved’, as well as the data linked to ‘providing a quality service to get the basics right first time and stage one complaints’, it was considered that this was because in the last six months of the last municipal year there was considered to be a major controversy in the city where people felt they weren’t involved, weren’t engaged and were ignored. That meant that during that period, the Council received a substantial increase in the number of FOI requests and data requests – it was hoped that these indicators were specifically linked to an episode in time. It was a priority for the administration to rebuild the Council’s reputation;
- (n) the Cabinet Member for Environment and Climate Change would provide a written response to the Committee upon the reasoning behind the substantial decrease in the amount of household waste sent for recycling, reuse or composting;
- (o) the Cabinet Member for Environment and Climate Change would provide a written response to the Committee as to why the Council’s recycling rates were well below the median in comparison to other local authorities as well as an update on food composting;
- (p) the 12 community builders were contracted out by the Council, and covered communities as well as communities of identity. In some areas of the city it was considered to be working well, however in other areas, not so well. This was covered by health funding and work was ongoing as to how the Council could help community builders to deliver on the corporate plan and health inequalities – once done the Cabinet Member for Housing, Co-operative Development and Communities would be happy to come back to scrutiny setting out plans for future work and how it would be scrutinised. A specific piece of work linked to community builders linked to the development of food cooperatives;
- (q) as part of the induction programme for Councillors, a generic briefing on Community Builders was created;
- (r) data that relied upon the city survey for its information was taken every two years; it depended upon the key performance indicator as to the frequency of information;
- (s) It was highlighted that the new format of the corporate plan moving

forwards would include key narrative around performance data; in a move to aid better scrutinise, it was suggested that Members of the Committee sent the Democratic Advisor questions prior to the committee meeting so that responses could be sought and provided at the meeting;

- (t) staff absence and details regarding that, the approach of the new Strategic Director for HR for staff absence and more detailed information upon this subject would benefit from being discussed as part of an agenda item, other than a written response to a question.

The Committee agreed that

1. the Cabinet Member for Customer Services, Sport, Leisure and HR & OD would provide a written response to the Committee detailing the reasoning behind the increase in full time equivalent work days lost to staff sickness and what steps were being taken to tackle this issue;
2. the Cabinet Member for Community Safety, Libraries, Cemeteries and Cremation would provide a written response to the Committee upon reasoning behind the downward trend of data linked to residents that felt safe during the day in the city;
3. the Cabinet Member for Environment and Climate Change would provide a written response to the Committee upon the reasoning behind the substantial decrease in the amount of household waste sent for recycling, reuse or composting; a response would also be provided as to why the Council's recycling rates were well below the median in comparison to other local authorities as well as an update on food composting and the Council's plans;
4. that Community Builders would be added to the Committee's work programme;
5. that staff absence would be added to the Committee's work programme, detailing a breakdown of short term and long term absence, a breakdown of gender and age, and what work the Council could do to support staff, specifically with regards to their mental health and stopping the potential stigma attached to taking short term 'mental health days';
6. the response to the consultation (regarding statutory guidance on what constituted best value and the standards that local authorities were expected to meet) is delegated to the lead officer for the Committee, the Cabinet Member for Housing, Co-operative Development and Communities, Councillor Darcy as Chair and Councillor Goslin as Vice Chair;
7. the Performance, Finance and Customer Focus Overview and Scrutiny Committee notes the Corporate Plan Quarter Four 2022/23 Performance Report.

7. Risk Management Monitoring Report

Councillor Lowry (Cabinet Member for Finance) and Ross Jago (Head of Governance, Performance and Risk) presented the Risk Management Monitoring Report and highlighted the following key points:

- (a) the Strategic Risk Register was held at the executive level with the corporate management team, with the Operational Risk Register beneath that; these reports were submitted to the Audit and Governance Committee however it was considered that they should also be submitted to the scrutiny committees so that there was an awareness of the risks and big issues facing the Council;
- (b) there were 23 risks currently being managed on the Strategic Risk Register, 8 of which were rated as red. The report was submitted to Committee to aid Members in considering priorities for their work programme moving forward;
- (c) the current Strategic Red Risks included Council expenditure exceeding resources, pension fund accounting, demanding complexity of children's services and financial sustainability of CaterEd (both on the work programme for the Education and Children's Social Care OSP), cyber security (to form part of the Performance, Finance and Customer Focus OSP work programme), IT supply chain constraints, adult social care workforce constraints, sustainable urban drainage system (SUDS) approval body;
- (d) there was a new risk on the Strategic Risk Register, rated as amber and concerned the capacity within the senior leadership team. There were a number of interims in place;
- (e) there were currently 119 risks on the Operational Risk Register; there was a reduction of 11 risks on the current register; the removal of those was because they were no longer relevant or duplicated in some way;
- (f) There were 7 red risks on the Operational Risk Register – only red risks were reported to the Audit and Governance Committee and to scrutiny. They included childrens services, the safety of some older trees in the city, asbestos management in some of the Council's buildings, data security recruitment, home working and the school transport budget;
- (g) Members were encouraged to consider including pre-decision scrutiny of the Council's IT procurement to their work programme for the forthcoming municipal year.

In response to questions raised it was reported that –

- (h) the IT contract with Delt was due to expire in October 2024; due to the complexity of the contract it was suggested that scrutiny on this matter might take approximately 9 months giving Councillors opportunity to get involved;

- (i) the Audit and Governance Committee had the responsibility for monitoring the pension fund liability accounting issue. At that meeting scheduled for 25 July 2023, the Audit and Governance Committee discussed this issue. It was highlighted that the Members were unable to sign off the Council's account for 2019/20 as there was one outstanding issue that related to the pension and the way in which the Council undertook a transaction relating to it. Every year there was a deficit that existed on a pension. The Council took a decision to pay the deficit off for the next 20 years thereby not incurring a substantial cost every year and taking it off the revenue budget and putting it onto the capital budget. A sum payment of £72m was made 3 years ago to do that. There was a question from the auditors perspective regarding the accounting and if it was capital or revenue. Despite prolonged, detailed, complex and costly discussions by the Council, legal advisors, and auditors, an agreement had yet to be reached. There was no 'black hole' and the action taken had saved the council between £2 – 3m every year.

The Committee agreed:

1. to add IT contract procurement to the Committee's work programme with regular updates provided throughout the municipal year;
2. to note the current position with regard to the Strategic and Operational Risk Registers.

8. **Finance Monitoring Report May 2023**

Councillor Lowry (Cabinet Member for Finance) and David Northey (Interim Service Director for Finance) presented the Finance Monitoring Report May 2023 and highlighted the following key points:

- (a) the purpose of the report was to give the committee an understanding of the position of the Council, on a monthly basis, with respect to its forecast outturn; the earliest opportunity to consider the forecast outturn was May;
- (b) as of the end of May 2023, the Council was forecasting a potential overspend of £8.1m for the full year; the report detailed some specific areas as to where the pressures currently existed: the Council had undertaken a number of by-elections which would have had a direct impact upon the budget, there were some legacy savings in corporate services, the home to school transport budget was having an impact as well as the People's directorate overspending on strategic care packages and community connections;
- (c) the forecast savings against the Council in the capital programme were included in the report;
- (d) in terms of the £8.1m figure, it wasn't considered unusual for this sum to be

stated during this period; there was a legal requirement for the Council to balance its books;

- (e) Whilst the Cabinet Member and Interim Strategic Director for Finance stated they were concerned about the state of the budget, it was also highlighted that the savings status of the Council was positive and moving in the right direction.

In response to questions raised it was reported that –

- (f) it was a national trend that council's across the country were in a similar position in terms of their budget forecasts, especially due to the impact of the cost of living crisis, mortgage rate increases and homelessness;
- (g) the scale of homelessness was having an impact upon the Council; there had never been an overtly homelessness problem such as was evident now. Post covid and as a consequence of the cost of living crisis was having an impact. It was considered that 20 people were competing for every one rented accommodation in the city. Strategic methodologies were required to be put in place to solve the problem;
- (h) the pressure placed upon the childrens services budget was not unique to Plymouth as it was a nationwide issue; the Council recently had an Ofsted inspection in which a number of recommendations for improvement were made. An improvement board was set up to ensure the right decisions were being made locally. Nationally, it was considered that the Council wasn't adequately funded given the demographics that existed in the city;
- (i) the Strategic Director for Finance was the Chair of the Society of Unitary Treasurers and their three main issues for conversation and action was adults, childrens and homelessness;
- (j) there was enough coverage in the budget for the external factors affecting the Council, such as fuel costs, inflation and the war in Ukraine etc, as these were built into the budget base however this would be monitored;
- (k) trying to look back at financial trends over the past few years was complex due to the impact of covid and the recent cost of living crisis; assurance was provided that every directorate at the Council was under immense scrutiny so part of the one off savings to balance the books included holding vacancies. There was a cost to that whereby did the council have the correct resources to move the Council forward;
- (l) the Cabinet Member for Finance encouraged the Committee to invite the Chief Executive to the committee to discuss with the committee the new risk to the risk register (number 25) regarding senior interim posts, the HR issues surrounding workforce delivery and sickness, and the impact this was having upon the council's budget;

The Committee agreed:

1. to invite the Chief Executive to the Performance, Finance and Customer Focus Overview and Scrutiny Committee meeting scheduled for September in order to discuss the scale of senior interim posts (as detailed in the operation risk register, number 25), specifically focusing upon the HR issues surrounding workforce delivery and the staff absence including short and long term sickness, and the impact interim posts was having upon the council's budget;
2. to note The forecast revenue monitoring position at Period 2 as set out in this report in the sum of £8.140m.
3. to note The Capital Budget 2023-2028 is revised to £544.214m as shown in Table 4.

9. **Petition - Plympton District Car Parks**

This item was not discussed and was deferred to the next committee meeting for discussion.

10. **Work Programme**

Members discussed the allocation of work to the work programme.

The Committee agreed to include the following items to the work programme:

1. HR issues and risk 25 - to invite the Chief Executive. To be added to September 2023 meeting;
2. Safer Plymouth – review of the plan;
3. Serious Violence Duty – Community Safety Partnership;
4. Community Builders;
5. Household Waste and Recycling;
6. Pre-decision scrutiny on IT provision – potential select committee;
7. Budget scrutiny;
8. an update to be provided to Committee in September on the Pension transaction (as this was contained on the risk register).

Under this item the Cabinet Member for Finance advised Members of proposed changes to the budget scrutiny process with the suggestion that sessions were scheduled for late November 2023 other than January 2024.

11. **Tracking Decisions**

The Committee agreed to note the complete tracking decisions document.