

PLACE SCRUTINY COMMITTEE

MINUTES of a meeting of the Place Scrutiny Committee held at Council Chamber, County Hall, Lewes on 30 September 2022.

PRESENT Councillor Matthew Beaver (Chair) Councillors Alan Hay, Ian Hollidge, Eleanor Kirby-Green, Philip Lunn, Wendy Maples (substituting for Councillor Hilton), Paul Redstone, Stephen Shing and Trevor Webb (substituting for Councillor Collier).

LEAD MEMBERS Councillors Claire Dowling and Rupert Simmons

ALSO PRESENT Philip Baker, Assistant Chief Executive
Ros Parker, Chief Operating Officer
Ian Gutsell, Chief Finance Officer
Rupert Clubb, Director of Communities, Economy and Transport
Richard Dawson, Head of Economic Development, Skills and Infrastructure
Councillor Kathryn Field (via Teams)

10. MINUTES OF THE PREVIOUS MEETING 18 JULY 2022

10.1 The Committee RESOLVED to agree the minutes of the meeting held on 18 July 2022 as a correct record.

11. APOLOGIES FOR ABSENCE

11.1 Apologies for absence were received from Councillors Chris Collier, (Councillor Webb substituting), Julia Hilton (Cllr Maples substituting), Stephen Holt and Steve Murphy. Apologies were also received from James Harris, Assistant Director Economy.

12. DISCLOSURES OF INTERESTS

12.1 Councillor Webb declared a personal, non-prejudicial interest under agenda item 6 as he is also a Hastings Borough Councillor.

13. URGENT ITEMS

13.1 There were none.

14. RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR) 2023/24

14.1 The Assistant Chief Executive introduced the report which forms part of the Committee's ongoing involvement in the Reconciling Policy, Performance and Resources (RPPR) process. The report includes the RPPR update report that was considered by Cabinet on 29 September, which contains an update on the local and national policy context and the Council's financial outlook together with an updated Medium Term Financial Plan (MTFP) and capital programme. The Committee will be aware that Cabinet took a decision to hold most of the one-off 2022/23 Service Grant funding in reserves until the financial picture becomes more certain, and to continue to lobby central Government for appropriate and sustainable funding to meet the needs of the Council's residents.

14.2 The Committee considered the RPPR update report and whether there was any further information it would like presented at the November meeting. A summary of the Committee's discussion and any questions raised is given below:

- Carriageway Patching Programme – The Committee asked if it was possible to have an update on the progress of the programme and where patching work had taken place. It was clarified that there were no specific delays to the patching work, but some works may have to be rescheduled due to weather conditions which has a knock-on effect. The patching programme is in addition to existing work being undertaken under the highway maintenance contract. The Director of Communities, Economy and Transport (CET) agreed to arrange for an update on the progress of the patching programme to be sent to Committee members. He also clarified that there had been some delays to the road marking and lining programme due to supply chain issues.
- SEND Home to School Transport – The Committee noted the budget challenges faced by this service, which is provided by the Transport Hub, due to an increase in number children requiring transport. The Committee asked for more information about the cost pressures for this service and the distances travelled. The Director of CET outlined that there had been an increase in the number of children requiring transport, but also some children travel longer distances to specialist provision. The Department seeks to optimise routes where possible, but another factor is that some children have differing requirements and it may not be always be suitable for them to travel with others. The Department can provide information an average travel distances for the Committee.
- The Committee asked whether home to school transport is provided where a car has been provided from Personal Independence Payments (formerly Disability Living Allowance). The Director of CET outlined that the eligibility criteria set by Children's Services will cover this.
- Home to School Transport – The Committee asked if children do not get into to their first choice of school, whether they get free home to school transport. Also, if highways

assess that there is a safe walking route, does this affect home to school transport. The Director of CET responded that he would ask the Children's Services Department to send the Committee the school placement policy and home to school transport eligibility criteria for information.

- Energy Price Increases – The Committee asked it would be possible to provide them with updated information on the financial impact of energy price increases once more is known about the potential impact and Government support for organisations. The Chief Finance Officer agreed to provide an update once more detail is known.
- Capital Programme – The Committee asked for more information about the Getting Building Fund projects for Food Street and Seven Sisters. The Head of Economic Development, Skills and Infrastructure responded that these projects are part of the Getting Building Fund announced a couple of years ago. The Food Street project is funding to improve the commercial units in Food Street, Eastbourne. The Seven Sisters project is funding for the Seven Sisters Country Park.

14.3 The Committee RESOLVED to:

- (1) Note the information in the attached RPPR Cabinet report of 29 September 2022, including the updated Medium Term Financial Plan (MTFP) and approach to one-off investments; and
- (2) Request an update on the carriageway patching programme and to receive further information, once known, on the energy cost increases contained in the MTFP update.

15. PROJECT DEVELOPMENT TO SUPPORT ECONOMIC GROWTH AND REGENERATION ACTIVITY IN EAST SUSSEX

15.1 The Head of Economic Development, Skills and Infrastructure introduced the report which covers how projects are selected and developed, their governance arrangements and the development of a pipeline of new projects. There have been a number of large capital projects, many of which have been developed through funding from the South East Local Enterprise Partnership (SELEP). The approach the Council has taken and the dedication of staff have enabled it to secure significant levels of investment for East Sussex.

15.2 The decision making on SELEP projects is undertaken by the SELEP Accountability Board, which is supported by technical advisers. Once approval has been given by SELEP, back to back contracts are agreed with the project provider to deliver the project. The role of East Sussex County Council (ESCC) as the local Accountable Body is to oversee the funding and delivery of SELEP projects. Officers carry out regular monitoring and can draw on clauses in the funding agreements to help manage delivery of the projects. The Economic Development Team works with Internal Audit and the Treasury Teams to ensure there is a robust project governance process, which has been recognised externally as being good.

15.3 ESCC has developed a strong pipeline of new projects with Team East Sussex and other partners, in order to take advantage of any existing and new grant funding streams that become available.

15.4 The Committee discussed the report and a summary of their questions and comments is given below.

Scrutiny of Projects

15.5 The Committee commented that once projects are complete the benefits from them can be indirect and may not be delivered for some time. The report suggests that projects can only be scrutinised at the benefits realisation stage, but there should be scrutiny input into the development and monitoring of projects. There should also be an opportunity for scrutiny

involvement when projects do not go as planned or encounter difficulties (e.g. the Queensway Gateway project in Hastings). This would allow learning to be gleaned from the project and any lessons learnt applied to future projects. This is important where there may be some financial liability for ESCC arising from the non-delivery of a project.

15.6 Head of Economic Development, Skills and Infrastructure responded that there is already a substantial level of scrutiny of projects through SELEP and the Accountability Board and the independent technical evaluations that are undertaken on business cases that are submitted for approval. Reports are also submitted to the Lead Member for Strategic Management and Economic Development, and Lead Member for Economy; to quarterly Council Monitoring reports; departmental/corporate capital boards; and in the Portfolio and Council plans that highlight the progress, any issues and corrective steps undertaken with projects.

15.7 ESCC has generally intervened where there has been market failure and there are risks associated with such projects, which can be complicated and complex to deliver. Scrutiny can request to see projects to assure themselves that the risks are assessed. There is always a possibility that SELEP could ask for money to be returned if a project does not proceed and meet the funding conditions set out due to issues that arise. However, this does not usually happen once a project has received SELEP approval and started.

15.8 The Lead Member for Economy commented that ESCC can be proud of how effective it has been in drawing down investment through successful business cases. The ESCC Grants and Loans panel has used capital resources to help local businesses expand, using professional expertise to assess all applications, most of which have been loans rather than capital grants. The main concern is that future funding from SELEP will cease and ESCC and its partners will need to find new sources of funding.

15.9 The Head of Economic Development, Skills and Infrastructure and the Director of CET outlined that scrutiny could request to scrutinise any project if they wished to do so through their work programme. Big capital projects are complex to deliver, and as an example the Queensway Gateway project has encountered a number of issues. However, the majority of the road has been completed and opened up the area for employment space. The governance process for projects is robust and there has been a large number of successful projects. The difficulties encountered with a minority of projects should not detract from other successful work. For example, the recent successful allocation of over £41 million to the Bus Service Improvement Project (BSIP) and £8 million secured from the Levelling Up Fund for the Exceat Bridge in the South Downs National Park.

Project Monitoring

15.10 The Committee observed that most monitoring and evaluation takes place in hindsight and where scrutiny works best is where it can be involved at an earlier stage, as a critical friend in a fair and equitable way. The Committee asked if it could be involved at an earlier stage. The Director of CET responded that there is real value in pre-decision scrutiny work and work where scrutiny acts as a critical friend. There are some good examples of where scrutiny has been involved earlier particularly around involvement in strategy, commissioning and planned policy work (e.g. the development of the Libraries and Information Service Strategy, the Highways maintenance contract re-procurement and the development of the revised Local Transport Plan). There are also opportunities for Members to hold officers and Lead Members to account.

Allocation of Funding to Project Providers

15.11 The Committee noted that of the £130 million of economic growth funding the Council had received, around £63 million had been with one organisation who had experienced some difficulties with two of its recent projects. The Director of CET outlined that calls for funding bids go out to all organisations, and all successful bids for SELEP funding are determined by SELEP based on the business case submitted to them. Hasting Borough Council, Rother District Council and ESCC have a relationship with this organisation. It should be borne in mind that

many projects were intervening where there had been market failure and as such there are challenges and risks associated with this type of project which can be complex to deliver. However, it should be noted that this organisation had been successful in delivering a number of significant projects over the years.

Reallocation of Funding

15.12 The Committee commented that there had been some projects such as the Hastings and Bexhill Movement and Access Corridor Package and the Riding Sunbeams Project, where funding had been re-allocated or removed. The Head of Economic Development, Skills and Infrastructure outlined that in both cases there had been issues which prevented the project or parts of the scheme from progressing to implementation, and therefore funding had been re-allocated to other eligible schemes and in the case of Riding Sunbeams funding removed entirely and returned to SELEP. The decision to re-allocate or remove funding was taken either by the project boards or through reports to the Lead Member.

Scrutiny Committee Involvement through the different Stages of a Project

15.13 The Committee noted that although there were opportunities for scrutiny at different stages of the project process this did not always involve elected Members of ESCC or the Scrutiny committee. The Committee discussed whether there was enough transparency in the project process and whether it would be possible to establish a small working group to examine the stages of project development and delivery to identify where scrutiny involvement would be most beneficial and effective (e.g. earlier on in the process).

15.14 The Director of CET outlined that the Committee could request regular updates on projects at scrutiny meetings, and that project progress can be scrutinised in several ways such as through the scrutiny process, quarterly Council Monitoring reports and Lead Member reports. The Director of CET added that work will be undertaken shortly to develop a new Growth Strategy for East Sussex, and this presents an opportunity for the Committee to be involved at an early stage via a scrutiny Member reference group in this work.

Recommendations of the Report

15.15 The Committee discussed the recommendations of the report and were happy to agree recommendations 1 and 3, but not recommendation 2 as the Committee considered that it would limit its ability to scrutinise projects at any stage in the process. The Committee discussed recommendation 2 and after a debate a motion to amend the wording was proposed to so that it would read:

“To agree to receive information on the various externally funded economic growth programmes subsequent to the benefits realisation stage of the programme and at strategic points in the development of the project”.

This was agreed by a majority vote of 5 for and 4 against.

15.16 The Committee RESOLVED to:

- (1) Note the reports contents on the principles and processes applied to project development, selection, governance, management and development of pipeline projects;
- (2) Agree to receive information on the various externally funded economic growth programmes subsequent to the benefits realisation stage of the programme and at strategic points in the development of the project; and
- (3) Note the technical expertise established within the Economic Development, Skills and Infrastructure service which underpins the process for pipeline development and securing external funding enabling the County Council to maximise external investment into the county.

16. WORK PROGRAMME

16.1 The Committee discussed the work programme and noted the items on the Council's Forward Plan. It was suggested that the proposed item on Grid Capacity also include how the Council support a range of renewable energy projects and possibly have a site visit, as well as looking at the capacity of Electric Vehicle charging and solar farms.

16.2 The Committee queried if the scoping board on highways maintenance leads to a review where it is recommended to change policy, whether it would be possible to implement any changes with the new contractor. The Director of CET outlined that there is a difference between policy and the contractor who delivers that policy. Any changes would be subject to affordability and the budget envelop being available to pay for those changes. If the review results in recommendations for policy changes, the funding of those changes would need to be considered through the RPPR process.

16.3 The Committee discussed adding a report and presentation from the Rights of Way Team on their work as this would feed into the work on the Local Transport Plan. The Rights of Way network may be an under used resource which may need some promotion and an appropriate level of maintenance. It was agreed by the Committee to add this item to the work programme.

16.4 The Committee RESOLVED to:

- 1) Agree agenda items for inclusion in the future work programme as outlined in paragraph 16.3 above, and those listed in the updated work programme in appendix 1;
- 2) Note the upcoming items on East Sussex County Council's (ESCC) Forward Plan in appendix 2.

The meeting ended at 12.46 pm.

Councillor Matthew Beaver (Chair)