

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON MONDAY, 14 DECEMBER 2015
IN COMMITTEE ROOM 2, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.30 - 9.00 PM**

Members Present: G Mohindra (Chairman), P Keska (Vice-Chairman), K Angold-Stephens, N Bedford, S Kane, A Patel, S Watson and J M Whitehouse

Other members present: S Stavrou

Apologies for Absence: H Mann

Officers Present P Maddock (Assistant Director (Accountancy)), P Maginnis (Assistant Director Human Resources) and A Hendry (Senior Democratic Services Officer)

24. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was noted that there were no substitute members for this meeting.

25. NOTES OF THE LAST MEETING

The minutes of the meeting held on 13 October 2015 were agreed subject to Councillor's Keska's name being deleted from the declarations of interests as he was not a member of a Town or Parish Council.

It was noted that Mr Maddock would provide the Committee with an explanatory note on the 40% business rate received by the Council (item 15, resolution 4 of the minutes).

26. DECLARATIONS OF INTEREST

There were no declarations of interest made pursuant to the Member's Code of Conduct.

27. TERMS OF REFERENCE AND WORK PROGRAMME

The Select Committee noted their terms of reference and work programme.

28. DRAFT GENERAL FUND CSB AND DDF LISTS AND SAVINGS UPDATE

The Select Committee considered the first draft of the Continuing Services Budget (CSB) and the District Development Fund (DDF) schedule for 2016/17.

They noted that the Financial Issues Paper went to the last meeting of this committee in October, highlighting a number of financial uncertainties and risks facing the authority, including the reduction in Central Government funding, retention of Business Rates, Welfare reform and the Leisure Management Contract renewal. Since then there had been a number of other items identified such as the increase in the employers national insurance contributions, relating to the employees in the Local Government Pensions Scheme.

The Governments Spending Review was due shortly, speculation was that District Councils would be hit the hardest, although this Council was well placed to meet that challenge.

Councillor Bedford asked if the loss at North Weald Airfield was due to the reduction in rent. He was told that it was. He then asked what was the "Safety of Bund" expenditure noted for the at NW Airfield. He was told that the Bund was a mound of earth adjoining the M11 that had to be stabilised.

Councillor Whitehouse noted the additional income for Country Care, and added a note of caution that officers working for Country Care should not spend time chasing income, that was not their job and if they were doing that then were probably not doing their job properly.

Councillor Watson noted that the Local Plan had to be finished by 2017, would the money slip forward a year. She was told that if that if it did it would not matter.

Councillor Patel asked how much of the Business Rate did we keep. He was told that at present it was a notional 40%, but this may go up to 80% at some time. Out of the 40% we only end up with 9% as we have to put into a central pot. It should be noted that we were expecting to see a cut in the revenue support grant in 2016/17. There was some indication that this would be phased in over some time.

RESOLVED:

That the Select Committee noted that first draft of the Continuing Services Budget (CSB) and the District Development Fund (DDF) schedules.

29. QUARTERLY FINANCIAL MONITORING - QUARTER 2

The Assistant Director (Accountancy), Peter Maddock introduced the second quarter figures for 2015/16. The report provided a comparison between the original estimate for the period ended 30 September 2015 and the actual expenditure or income applicable.

It was noted that:

- The salaries schedule showed an underspend of £287,000 or 2.7%, a vacancy allowance of 1.5% had been allowed for but clearly vacancies were running at a higher level at present;
- investment interest levels were below expectations at month 6 by £45,000;
- Development Control income at month 6 was continuing its recent upward trend;
- Building Control income was now £31,000 higher than the budgeted figure at the end of the second quarter;
- Income from MOT's was £3,000 above expectations;
- Car parking income was £41,000 below the estimates as at month 6, this was picking up and now going in the right direction;
- Local Land Charge income was below the estimate by month 6 as there had been a reduction in searches undertaken.

Generally income was doing well apart from land charges. It should be noted that also included in the report appendices was a short note on the current status of the Epping Forest Shopping park.

Councillor Whitehouse asked why the Business Rate income was going down, he was told that the primary reason was the number of appeals put in.

Councillor Angold-Stephens said that the Leisure contract always had a problem with this, there was a need to look at how to stabilise the payments made in the new contract.

Councillor Watson would be concerned if accountancy was understaffed, but she was reassured that they had recently filled a vacancy and were now up to full establishment.

Councillor Bedford asked about the underspend figures and asked if paternity and maternity leave was taken into account. He was told that no allowances was built in but it would be compensated for at year end.

RESOLVED:

That the Select Committee noted the revenue and capital financial monitoring report for the second quarter of 2015/16.

30. KEY PERFORMANCE INDICATORS 2015/16 - QUARTER 2 PERFORMANCE

The Assistant Director (Accountancy), Peter Maddock introduced the second quarter figures for the Key Performance Indicators (KPI) for 2015/16. A range of thirty six KPIs were adopted in March 2015. The overall position with regard to the achievement of target performance for all the KPIs at the end of Q2, was as follows:

- (a) 26 (72%) indicators achieved target at the end of Q2;
- (b) 10 (28%) indicators did not achieve the Q2 target; although
- (c) 1 (10%) indicators performed within their tolerated amber margin.
- (d) 26 (72%) indicators are currently anticipated to achieve their cumulative year-end target.

Nine (9) of the Key Performance Indicators fell within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at the end of Q2 for these 9 indicators, was as follows:

- (a) 6 (67%) indicators achieved the Q2 target;
- (b) 3 (33%) indicators did not achieve their Q2 target; although
- (c) 1 (11%) indicators performed within its tolerated amber margin.
- (d) 8 (89%) indicators are currently anticipated to achieve their cumulative year-end target.

RESOLVED:

That the Select Committee noted the Key Performance Indicators within its area of responsibility at the end of Quarter 2 for 2015/16.

31. SICKNESS ABSENCES 2015/16 - QUARTERS 1&2

Paula Maginnis, the Assistant Director (Human Resources) introduced the sickness absence report for quarters 1 and 2. It was noted that the Council's target for

sickness absence for 2015/16 was an average of 7 days per employee. The outturn figure for 2014/15 was an average of 9.2 days per employee. This put the council above its target for the first time in 4 years. This year, although still running above target the figures were slightly better than this time last year. It was also noted that the 2015 Chartered Institute of Personnel Development (CIPD) report stated that a number of organisations (not just in the public sector) reported that they had seen an increase in stress related absence and mental health problems. Although minor illness accounts for most short term absence whereas acute conditions such as stress, musculoskeletal, mental health and back pain are the most common reasons for long term absences. The council reflected these findings.

It was worth noting that according to Mind (the mental health charity) in some instances staff report that they are absent due to musculoskeletal problems rather than mental health reasons. Individuals can experience back and other musculoskeletal pain when suffering from mental health issues. However, in all cases it seems that there were no underlying mental health issues for those recording this reason as sickness absence.

The number of days taken due to mental health issues had increased significantly from 2013 to 2015. This may be due to internal factors such as change within the authority, there has been a number of directorate/team reorganisations or that mental health issues have lost some of its stigma and staff are more comfortable recording their absence correctly.

As part of the improvement plan HR will arrange workshops for managers on mental health issues. The first four of a number of workshops have been arranged for December and it would be mandatory for all managers to attend. The Council was also working with 'Rethink', a mental health charity and Vine HR to arrange these sessions.

Councillor Bedford asked if there would be feedback forms from these sessions. He was told that this was done for all training sessions. These sessions have also been previously piloted and improved where necessary for our use.

Councillor Watson commented that 2013 was the last good year for sickness levels. Was it unrealistic to hark back to this target, it may now settle down at a different level. Ms Maginnis replied that they were doing a lot of training with managers and were also looking to do something different in the future, such as attending team meetings and speaking to staff directly. It should be noted that the Council did start out at a high level of 10 days average when the national average was 8. They were looking to bring it down to this level eventually.

Councillor Patel asked if return to work interviews were conducted. He was told that they were, for every absence.

RESOLVED:

That the Select Committee noted the report on sickness absences.

32. UPDATING REPORT

Paula Maginnis, the Assistant Director (Human Resources) introduced a report updating the Committee on various corporate projects and area of work carried out by the HR Team.

Apprentices - The Committee noted that the first cohort of apprentices (2013-15) had now successfully finished their apprenticeships. The council appointed 7 business administration apprentices and 2 multi trade apprentices. The business administration roles would provide a range of transferable skills and thus offer more opportunities for employment.

They were issued with fixed-term contracts for a maximum of 2 years. The aim of the apprenticeship programme was to ensure that the apprentices were recruited to permanent positions in the Council. In the end 8 out of 9 apprentices passed their qualifications. The one who did not had left early in the programme.

The second cohort has now been appointed and it had been decided that it would be just for local young people who would do appropriate NVQs at the local college. There was not as much money around to fund as many places as last time but they received some help from the Communities Directorate in conjunction with a Housing Association and were able to fund two more places, but these places were reserved for the children of their tenants. This time around, the apprentices' progress would be monitored more closely.

In between the cohorts, in 2014, the Council agreed to participate in the National Graduate Development Programme, a 2 year national management trainee programme for high calibre graduates. Managers were required to bid to have the graduate for 6 months. He has now completed 2 of his 4 placements. Currently he is working in Communities researching the impact of an aging population on the Council's services. His final placement will be working with the Head of Transformation.

No decision has been made as to whether the Council participates in the National Graduate Programme 2016.

In response to questions asked, the committee noted that:

- The apprentices are paid above the minimum required. They are separately funded by HR and not the directorates;
- The first cohort was very enthusiastic and intelligent and were willing to give everything a go and worked well;
- Ms Maginnis would check to see if the Council received any grants for the apprentices;
- Planning was running their own graduate programme and were looking to take on two trainee planners.

Shared Services – HR – the HR team participated in the Essex network of the heads of HR the Essex Strategic Partnership for a number of years. In 2010 the partnership reviewed its governance arrangements and agreed to develop it into a not for profit company.

The aim of setting up a not for profit organisation was so that;

- it could generate its own income so it becomes self-sufficient;
- it could provide value for money for the member authorities in any contractual arrangements;
- Heads of HR can work more collaboratively and achieve greater savings for their authorities; and
- It provides a formal framework for the Heads of HR, limiting the risks and liabilities for individual authorities.

The Partnership established VineHR and there are currently 7 Directors managing the business. Councils are the shareholders and had a liability of just £1 each. Since the establishment of VineHR, it has undertaken 2 significant procurement exercises for the following;

- E-Learning Platform;
- Framework of management training providers.

Using the framework, the Council has trained 54 managers and potential managers through the ILM management and leadership programmes and our internal coaches/mentors, of which we have 15, also attend ILM coaching/mentoring programmes. They were able to provide this training by working with others collectively.

The Council's Assistant Director (HR) took the lead to commission mental health awareness training for managers on behalf of VineHR which 140 of its managers will attend as part of the sickness absence improvement plan.

The Council's Learning and Development Manager, a member of VineHR's Training Project Team, successfully put together the ILM programmes and commissioned/organised a range of Masterclasses on a wide range of subjects.

In response to questions asked, the committee noted that:

- VineHR provides a lot of help to the Town and Parish Councils, for which they are able to buy services;
- All Parish and Town Councils were aware of VineHR and the services they provide.

Procurement of a HR/Payroll IT System – it was noted that the current payroll IT system was not fit for purpose and that they were presently in discussions with Colchester and Braintree Council's with the aim of jointly procuring a system. The evaluation process was due to be finalised before Christmas with an implementation/start date early in the new financial year.

Broxbourne – officers were having initial discussions with Broxbourne Council to identify potential areas where we could work together and find efficiencies. They currently provide museum services for us and it may be we can work closer with them.

Mast Money Budget – it was noted that the Council receives rent from communications companies for the lease of space on the Civic Offices roof for a communications mast. Members have agreed that any money from this lease would be allocated to projects that would benefit the staff. Last year a £20 gift voucher was purchased from Marks and Spencer at Christmas for each member of staff. Subsequently, discussions had taken place at the Joint Consultative Committee and via an employee consultation exercise regarding future use of this budget. The outcome of the survey showed that that the 3 most popular suggestions were: Gift Cards, a Benefit Portal and Health Checks. The advantage of all three suggestions is that they can apply equally to all staff regardless of their location.

In response to questions asked, the committee noted that:

- The Council has tried to get the Directors to write to all staff that had not taken any sick leave, but this had not worked. Any incentive to not go sick

would become an attendance bonus and would be a difficult call to make. Currently we were looking at the sickness target and are training managers in how to handle their staff. Trying to look at this in a different way.

- Away days, team building courses have been held for managers and management Board, but not generally for staff.

Councillor Stavrou commented that it was easier to make the workplace better in little ways like supplying biscuits and coffee etc. There has recently been a lot of anxiety about the Transformation Policy but this should settle down now. We could also look into something like having a staff discount for gym membership.

Employee Engagement – The Graduate Trainee organised Employee Engagement Workshops to involve staff and were run from April to June 2015 to gain feedback from employees on a range of engagement centred topics. There were 62 employees who attended the workshops across five different sessions. The workshops were targeted to include a range of employees across the authority e.g. different; locations, grades, roles and areas of work. There were a further two more workshops presented to Leadership Team and JCC.

Employee Survey – As part of the work on the Engagement Strategy the Graduate Trainee was tasked with carrying out the Employee Survey. During the workshops referred to previously employees were asked their views on obstacles to completing the survey.

Unfortunately, despite taking all the comments on board, the response rate was lower than the previous staff survey (58% in 2013 compared to 32% in 2015). The Joint Consultative Committee has requested that those employees who did not participate are asked why they did not.

RESOLVED:

- (1) That the Committee noted the update report on Apprentices; the Council's Graduate Trainee; Shared Services in Human Resources; the Mast Money Budget and Employee Engagement activity; and
- (2) That the apprentices, along with the Graduate Trainee be asked to give a presentation to this Select Committee at their April 2016 meeting.

33. REVIEW OF PRIVATE FUNDING

The Select Committee noted that Grants and Contributions make up a fairly modest proportion of capital funding, this includes section 106 and similar income which the Council receives as part of agreements made when planning permission was granted for development schemes. These monies could be provided for a variety of different purposes and would be based upon requirements identified as part of the planning process. The types of project could range from education, highways, leisure, health and affordable housing provision. In some cases the money was provided to the County Council or the National Health Service and in other cases to this Council.

If a developer is developing land for housing purposes there was a requirement to provide 30% affordable housing. The developer will either build that housing on the site they are developing or as in a number of instances, provide money to the Council

to meet the required social housing on another site. Prior to the house building programme this money was used by the General Fund and passed to housing associations, however this money is currently being used by the HRA.

There are also other legal documents which provide for financial payments to be made to the Council known as a Deed of Unilateral Undertaking. The Council is not a party to the Deed but under the legislation (S106 Town and Country Planning Act 1990, as amended) is able to enforce the undertaking given if necessary. As the Council is not a party it does not make any commitment to returning the monies if not spent, so the party making the payment has no ability to enforce repayment against the Council. Having said that the Council must spend the monies for the purpose given or be open to possible challenge by way of Judicial Review.

As at 31st March 2015 the Council held £2,172,000 in various private contributions; £1,173,000 for affordable housing, £474,000 for other projects, £477,000 due to other organisations varying from NHS England to a number of parish councils and £48,000 from the Civic Offices O2 mast. Based on current expectations the affordable housing contributions should all be used in 2015/16, however there is likely to be funding still available for other projects.

It is possible that Section 106 agreements would be replaced by the Community Infrastructure Levy or CIL, This was being evaluated as part the Local Plan process by a consultant who was doing the groundwork to assess whether or not we should put a CIL in place, however we will not be able to adopt this until the Local Plan has been finalised. The work on this is being paid for from the Local Plan DDF budget.

The Committee noted that some S106 money had not been spent and that there was a time limit that applied to some of this money. It was suggested that there was a case to make ward councillors aware of this and to have decisions made at Cabinet level as apparently no one had ownership of it at present.

Agreed that a list of this money be made available to the Cabinet under private business for discussion and to have a look at the principal of the use of this money.

RESOLVED:

- (1) That current position on private funding was noted; and
- (2) That the anomaly of unspent funds be brought to the attention of the Cabinet and relevant Ward mMembers for further discussion.

34. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE

The Committee noted that a general update would be going to the next O&S Committee.

35. FUTURE MEETINGS

The dates of the Select Committee's future meeting were noted and that there would be a joint meeting with the Finance and Performance Management Cabinet Committee to discuss next year budget; to be held on 21 January 2016.