

**EPPING FOREST DISTRICT COUNCIL  
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE  
HELD ON MONDAY, 10 OCTOBER 2016  
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING  
AT 7.30 - 9.34 PM**

**Members Present:** A Patel (Vice-Chairman, in the Chair), N Bedford, D Dorrell, R Gadsby, R Jennings, J Lea (Chairman of the Council), A Mitchell, C Roberts, D Roberts, G Shiell and J M Whitehouse

**Other members present:** A Lion and G Mohindra

**Apologies for Absence:** S Kane, A Boyce, P Keska and H Whitbread

**Officers Present** P Maddock (Assistant Director (Accountancy)), A Hall (Director of Communities), D Newton (Assistant Director (ICT and Facilities Management)) and A Hendry (Senior Democratic Services Officer)

**13. CHAIRMAN OF MEETING**

In the absence of the Chairman, the Vice-Chairman, Councillor Patel, chaired the meeting.

**14. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

It was noted that that Councillor J Lea was substituting for Councillor A Boyce and Councillor G Shiell was substituting for Councillor P Keska.

**15. NOTES OF PREVIOUS MEETING**

**Minutes**

The notes of the meeting held on 12 July 2016 was agreed as a correct record.

**Matters Arising**

There were no matters arising from the last meeting.

**16. DECLARATIONS OF INTEREST**

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

**17. CHANGE IN AGENDA ITEM**

With the agreement of the meeting, the Chairman considered agenda item 10a, Terms of Reference and Work Programme, next.

**18. TERMS OF REFERENCE AND WORK PROGRAMME**

1. The Terms of Reference and Work Programme were noted. Mr Maddock informed the meeting that Item 16 of the work programme would be considered in February 2017.

2. It was noted that forward programme of meetings indicated that the final meeting of this committee would be held in April 2017, yet the agenda point on future meetings indicated that it would be held in March. Upon researching this point the Senior Democratic Services Officer established that it would in fact be held in March 2017.

**19. CORPORATE PLAN - KEY ACTION PLAN 2016/17 - QUARTER 1 PROGRESS**

The Assistant Director Accountancy, Mr Maddock introduced the report on the Quarter 1 progress of the Corporate Plan Key Action Plan 2016/17. The Corporate Plan was the Council's key strategic planning document, setting out its priorities over the five-year period from 2015/16 to 2019/20. The priorities or Corporate Aims were supported by Key Objectives, which provided a clear statement of the Council's overall intentions for these five years.

The Corporate Plan Key Action Plan for 2016/17 was agreed by the Cabinet in March 2016. Progress in relation to all actions and deliverables are reviewed by the Cabinet, the Overview and Scrutiny Committee, and the appropriate Select Committee, on a quarterly basis.

There were 50 actions in total for which progress updates for Q1 were as follows:

- 32 (64%) of these actions have been 'Achieved' or are 'On Target'
- 7 (14%) of these actions are 'Under Control'
- 2 (4%) are 'Behind Schedule'
- 9 (18%) are 'Pending'

13 actions fell within the areas of responsibility of the Resources Select Committee. At the end of Q1:

- 10 (77%) of these actions have been 'Achieved' or are 'On-Target'
- 0 (0%) of these actions are 'Under Control'
- 3 (23%) of these actions are 'Pending'
- 0 (0%) of these actions are 'Behind Schedule'

The Committee noted that action 10, *evaluate possibility of shared services as part of debt working party*, was still a work in progress. And, that action 11, *provide HR/Payroll services to at least one other authority*; this new system was to go live in November 2016 and officers were still looking at a completion date of 31 March 2017. Councillor Bedford wondered if it should be deferred to April, as that was the beginning of the financial year. Councillor Lion replied that they would be pushing ahead as fast as possible to get a trial period in by December 2016. Mr Maddock said that they would then go on to look at working with other authorities. It would then take some time to have an agreement in place.

Councillor Patel noted that some of the target dates needed to be changed to either say achieved or if they were still pending.

**RESOLVED:**

That the quarter 1 progress of the Corporate Plan Key Action Plan for 2016/17 was noted.

**20. KEY PERFORMANCE INDICATORS 2016/17 - QUARTER 1 PERFORMANCE**

Mr Maddock introduced the quarter 1 performance report on the Key Performance Indicators for 2016/17. The meeting noted that a range of 37 Key Performance Indicators (KPI) for 2016/17 was adopted in March 2016. Progress in respect of each of the KPIs is reviewed by the relevant Portfolio Holder, Management Board, and Overview and Scrutiny at the conclusion of each quarter.

The overall position for all thirty-seven KPIs at the end of the Quarter 1 was:

- (a) 25 (68%) indicators achieved target;
- (b) 12 (32%) indicators did not achieve target, although
- (c) 3 (8%) of these indicators performed within the agreed tolerance for the indicator.
- (d) 28 (76%) of indicators are currently anticipated to achieve year-end target and a further 2 (5%) are uncertain whether they will achieve year-end target.

Nine 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 Q1 for these nine indicators, were as follows:

- (a) 8 (89%) indicators achieved target;
- (b) 1 (11%) indicator did not achieve target, however this indicator performed within the agreed tolerance for the indicator;
- (d) 8 (89%) of indicators are currently anticipated to achieve year-end target.

The indicator that had not hit its target was **RES006** ("*on average how many days did it take us to process notices of a change in benefit claimant's circumstances*") however, it was assumed that by year end it would achieve its set target.

**RES001** – *working days lost due to sickness absence* – Councillor Dorrell noted that we had hit the target this quarter but noted that we may not by the end of the year. Councillor Mohindra said that maybe it should have been set at amber. He also noted that the corrective action box just said "non", this should be reviewed.

**RES005** – *how many days did it take us to process new benefit claims* – Councillor Lion asked why it took so long to set up a new benefit claim? Mr Maddock replied that not all information was provided at first so officers had to go back for more. Councillor Bedford asked if the target of three weeks should be revised as three weeks was a long time to wait for receipt of benefits. He would like to see it come down to two weeks. Mr Maddock said he would raise this with the head of benefits.

**RES011** – *are customer needs being met by the main corporate website having effective navigation* – Councillor Dorrell asked how they measured ease of navigation? Mr Newton, Assistant Director ICT and Facilities Management, replied that it was a measure of how many clicks it took to get to a standard screen.

Councillor Bedford asked if this linked in with any particular department, such as planning. Mr Newton said they could take this into consideration and break it down into various areas. He would look to see what could be done. Councillor Lion remarked that we needed to find out what our customers saw and if we were delivering a good service to our customers.

**RESOLVED:**

That the Committee reviewed and noted the Quarter 1 performance in relation to the key performance indicators within its areas of responsibility.

**21. QUARTERLY FINANCIAL MONITORING**

Mr Maddock introduced the quarterly Financial Monitoring report. The report provided a comparison between the original estimate for the period ended 30 June 2016 and the actual expenditure or income as applicable.

The Committee had within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This was the first quarterly report for 2016/17 and covers the period from 1 April 2016 to 30 June 2016.

**Revenue Budgets**

The meeting noted that:

- The salaries schedule showed an underspend of £202,000 or 3.6%. This was the same in percentage terms as this time last year;
- Resources showed the largest underspend of £78,000 which related to Revenues and Housing Benefits;
- Neighbourhoods and Communities were both showing underspends of £53,000. The former related to Forward Planning and Grounds Maintenance and the latter to the Housing Works Unit;
- Development Control income at month 3 was continuing the recent upward trend;
- Building Control income was £38,000 higher than the budgeted figure;
- Public Hire licence income and other licensing was above expectations;
- The income from MOTs carried out by Fleet Operations was £11,000 below expectations, affected by the uncertainty around the relocation to Oakwood Hill. The move has now happened and a new Fleet Operations manager appointed;
- Car Parking income was £30,000 below the estimates as at month 3. By late August income had reached and even exceeded expected levels;
- Local Land Charge income was £3,000 below expectations;
- Expenditure and income relating to Bed and Breakfast placements was on the increase. Some growth had been allowed for within the 2016/17 budget but it looked unlikely that this would be sufficient;
- An overspend was showing on both Refuse Collection and Recycling;
- The Housing Repairs Fund showed an underspend of £340,000, as well as underspends showing on both Planned Maintenance and Voids work; and
- Income from Development Control, Building Control and probably Car Parking looked likely to exceed the budget. Others were less certain.

Councillor Bedford asked that congratulations be sent from this Committee to the Development Control and Building Control teams for achieving the higher incomes.

Councillor Whitehouse said that the increase in the use of Bed and Breakfast was expensive; have we looked at alternative solutions? Mr Hall, the Director of Communities, noted that expenditure had gone up but so had income. Also, we no longer get as much back from the Government as we used to. Officers were looking into a number of options for handling homelessness and would be reporting back to the Communities Select Committee in the near future. Part of this report would be looking at building on the North Weald Airfield site.

Councillor Bedford asked about the amount of the housing stock awaiting renovations and re-letting. Mr Hall said that the Communities Select Committee generally received these figures, but he thought that generally it was between 1 and 2% of the housing stock. They were always looking at ways to reduce their void periods as they did not want to have empty properties.

Councillor Patel noted that Development Control had higher applications than usual could not this extra money be used to clear any backlog that has built up. Mr Maddock said he would speak to the Assistant Director of Development Management about this.

### **Business Rates**

The meeting noted that:

- This is the fourth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected were retained by the Council;
- The resources available from Business Rates for funding purposes was set in the January preceding the financial year in question. Once these estimates were set the funding available for the year was fixed;
- For 2016/17 the funding retained by the authority after allowing for the Collection Fund deficit from 2015/16 was £3,435,000. This exceeded the government baseline of £3,050,000 by some £385,000. The actual position for 2016/17 would not be determined until May 2017;
- Cash collection was important as the Council was required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money was collected; and
- At the end of June the total collected was £10,206,011 and payments out were £8,636,746, meaning the Council was holding £1,569,265 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

### **RESOLVED:**

That the Committee noted the revenue and capital financial monitoring report for the first quarter of 2016/17.

## **22. MEDIUM TERM FINANCIAL STRATEGY & FINANCIAL ISSUES PAPER**

Mr Maddock introduced the Financial Issues Paper/Efficiency Plan, noting that this had originally gone to the Finance and Performance Management Cabinet Committee in July of this year.

This report provided a framework for the Budget 2017/18 and updated Members on a number of financial issues that affect this Authority in the short to medium term.

The meeting noted that in broad terms the following represented the greatest areas of current financial uncertainty and risk to the Authority:

- Central Government Funding
- Business Rates Retention
- Welfare Reform
- New Homes Bonus
- Development Opportunities
- Transformation
- Waste and Leisure Contracts
- Miscellaneous, including recession/income streams and pension valuation

The report also had a short update on the effect of Brexit has had on this Council. It was noted that the Prime Minister has now stated that she would like to give formal notice to leave the EU by March 2017.

The meeting noted that because of Brexit politicians and the Civil Service appear to have been paralysed and so we knew nothing more that we did in February about changes to New Homes Bonus, the 100% retention of business rates or the financial contribution we would be required to make to support right to buy for housing association tenants. Given this position the report stated that there was little point updating the Medium Term Financial Strategy (MTFS) for anything other than the 2015/16 outturn so the attached MTFS is very similar to the one approved in February.

It would be many years before the effects of Brexit could be fully evaluated, but what could be said at the moment is that for local government it had increased political uncertainty and reduced funding prospects.

Councillor Mohindra added we were waiting on Central Government for a lot more detail and officers would come back with any updates on the MTFS.

Mr Maddock continued that under central government funding we agreed to take up the 4 year settlement. Officers have today brought together the papers that the DCLG required. As for the business rate retention, this consultation closed on 26 September and officers were expecting to hear something soon about this. He had an email saying a draft list has been published listing types of businesses and their rateable value. We needed to print the bills by next March.

Councillor Whitehouse asked if the appeals process progressed. Mr Maddock said that the valuation office had stopped working on appeals to do other work and have now gone back to working on appeals again.

Councillor Patel asked how we could advise businesses on increases in their rates. Mr Maddock advised that they should consult the valuation office. Councillor Mohindra said that we could put this advice on the back of the rate demand.

The consultation on the proposed changes to the New Homes Bonus closed on 10 March 2016, but Officers have not heard anything more about this. It would be necessary to adjust future versions of the MTFS once the exact nature of the changes were known.

The meeting also noted that:

- Acquisition of the St Johns Site in Epping was expected at the end of this month;
- A new head of Customer Services was due to start in November and we are waiting to see what her plans are;
- As part of the revised estimates for 2014/15 Members created an Invest to Save budget of £0.5m. This fund is intended to finance schemes which can produce reductions to the net CSB requirement in future years. This fund has proved popular with Members and officers and the number of ideas generated has meant it has been necessary to allocate additional funding;
- Waste contract – Biffa were now confident that they were able to fulfil their obligations at the price they had tendered and have indicated that the additional resources would stay in place until the transition was completed;
- With the upcoming new Leisure Management contract they were looking to identify savings over the coming years;
- An updating report on Local Plan expenditure went to the last Cabinet meeting.

Councillor Lion asked if we were measuring the savings from the Invest to Save initiative. He was told that initially it was anticipated to be around £100k in savings, but now we were looking at £120k in savings. A report on this would go to the Finance and Performance Cabinet Committee and it could also come to this committee's December meeting for information.

Councillor Lion then asked if the printer migration project had some savings. He was told that they were expecting around £10k in the first year and then maybe around £30k in the year after. Councillor Lion proposed that these savings should be scrutinised by this Committee. This was agreed.

**RESOLVED:**

- 1) That the Financial Issues Paper/Efficiency plan was noted and commented on;
- 2) That the report on the Invest to Save scheme going to the Finance and Performance Management Cabinet Committee should be brought to this Committee's December meeting for information;
- 3) That a report on the savings made by the printer migration project be brought to this committee when appropriate.

**23. TELEPHONE MONITORING STATISTICS**

The Assistant Director of ICT and Facilities Management, Mr Newton introduced the latest telephone monitoring statistics covering the period April 2016 to August 2016. The meeting noted that the use of voicemail increased in August, probably due to holidays. The figures were going in the right direction for this period with far fewer calls being received this year than last year, probably due to the problems experienced with the waste management contract last year. Also the number of abandoned calls had decreased and calls going to voicemail had increased over this period.

Councillor Bedford asked if calls were transferred back to the switchboard after 10 rings or so. Mr Newton said it depended on how the system for that section had been set up. The council default was that it would go back to the switchboard, but it may also go into a workgroup for another team member to pick up.

Councillor Jennings asked if a lot of the telephone requests/queries could be moved on to our website. Mr Newton said that the website had not been set up as yet but they were adopting 'intelligent forms'. The Website Development Board was currently looking into this. When the new Customer Services Manager started in November, they would be looking for changes to be set up.

Councillor Mohindra asked if a lot of calls went straight to the switchboard. He was told that there was not a lot of information on this but more data could be had. Councillor Mohindra noticed that there were a lot of abandoned calls to the switchboard. Mr Newton said that they were having some problems keeping people in those posts.

Councillor Lion noted that the PR section were currently looking at 'channel shift' and were looking at how to do more things online, although we would still maintain telephone and personal contact points. The new Customer Contact Centre would change the way that we operated.

Councillor Bedford said that he had a query on bins recently and had phoned the council. He spoke to a very helpful officer who sorted his problems there and then. Not everyone would want to do things via the internet and officers should always be available by phone. He then asked what sort of expertise would the officers in the new contact centre have? Councillor Lion said that they would be generalist, able to cover about 80% of the calls with only about 20% being referred to specialist officers.

Councillor Shiell said that the switchboard service had greatly improved over the last three to four years and wondered what sort of system they had; was it a paper or computer database. Mr Newton said that they had a computer based system, as well as their personal knowledge built up over time. Councillor Shiell wondered if their collective knowledge could be somehow put into a database so we did not lose their expertise.

Councillor C Roberts commented on the increased number of voicemail calls and asked if we monitored the number of voicemails that were followed up. He was told that this could not be monitored by the phone system and could really only be monitored by the policy we had in place. We have not received any complaints about this for some time. Councillor Mohindra asked if they could check how often voicemail was checked. Mr Newton said he would look into this as he was not sure if this could be done.

Councillor Patel suggested that the Committee ask the new Customer Services Manager to come and give a presentation. Councillor Lion said that she should be given some time to settle into her job, and perhaps ask her to come to the March 2017 meeting. We could also ask an officer to attend the December 2016 meeting and speak to us about the 'Channel Shift' project. This was agreed by the Committee.

**RESOLVED:**

- (1) That the telephone monitoring statistics for the period covering April 2016 to August 2016 be noted;
- (2) That an officer be invited to the December 2016 meeting to give a short presentation on the 'Chanel Shift' project; and
- (3) That the new Customer Services Manager be invited to give a short presentation to this Committee in March 2017.

**24. FEES AND CHARGES 2017/18**

Mr Maddock introduced the report on the proposed fees and charges that the Council should levy in 2017/18 and what scope there was to increase particular charges. It was noted that a saving of £250,000 in the Council's budget would be required in 2017/18, but the scope for increasing income as a result of increasing fees and charges was relatively limited as regards the General Fund though less so with the Housing Revenue Account (HRA).

The use of labour rate inflation as a guide was adopted last year on the basis that the most significant element of the cost involved in generating fees was staff salaries. The latest figure was 2.1% so adopting a figure of 2.0% was proposed.

It was noted that The Limes Centre makes a number of charges and that it was being proposed that around 5% be added to each of the charges for this facility. Based on recent, sample testing of other similar facilities in the area, it had been identified that the current pricing scale for the Limes Centre was significantly lower than several others and that there had also been an issue of people from outside the district, booking the facilities under the name of EFDC tenants and therefore taking advantage of the 50% tenant discount on hall hire fees.

Councillor Mohindra asked what were the current figures for the Limes Centre and was it well used and, if so, we did not want to increase the fees too much. The Director of Communities, Mr Hall, said that the Centre was well used and that officers would be looking next year to consider if it was appropriate to continue having a two tier charging system for tenants and non-tenants.

Councillor Patel asked if it was being proposed to have one set price throughout the district and was told that it was not, since all the halls were of different sizes and had different facilities.

It was noted that the two charges for Council tenants and non-Council tenants were substantially different, and the Committee considered whether the charge could be set at a one level between the two. It was also suggested that it may be useful to compare the charges with private sector hall charges. Councillor Bedford suggested that the charging structure should remain as currently and to look at making changes next year, with some supporting evidence, fact and figures to base a decision on.

The Committee agreed to recommend that the charges for the Limes Centre be kept as set out in the report for this year, but asked for when the Committee considered fees and charges next year:

- Some background evidence for the costs of other halls in the district;
- What types of groups use the hall;
- How much it costs to run these halls compared to the income received (i.e. our charges);
- If the facility does not break even, how much the Council would need to charge to cover its costs.

The Committee felt that this would enable them to make an informed decision next year on whether or not to have only one or two scales of charges for the following year, and what those charges should be.

Councillor Whitehouse asked when was the last time the council considered which of its charges made a commercial return or if they were set for social or other reasons. Mr Maddock replied that on some charges we could only recoup our costs, such as on Licensing, Building Control and Development Control. Some fees are set based on cost recovery and there was a balance between making a surplus and setting fees too low that we didn't cover costs.

It was noted that waste management charges on bulky household waste were going up by 1.5% to 2%. Councillor Bedford asked if there were any concessions made for the unemployed or those on benefits. He was told that this was not done at present and if it were, then some checks would be needed to be put in.

Councillor Lion noted that there were potential fly-tipping issues with the new tip closures that were coming in. He then asked why the second drivers licensing test was half the cost of the first one. Mr Maddock said he would find out.

**RESOLVED:**

- (1) That the proposals for the level of fees and charges for 2017/18 be agreed; and
- (2) That in agreeing to the two tiered increase of the charges for the Limes Farm Halls and facilities, the committee, in the next year, would like some background evidence on the costs of other venues in the district, what types of groups used them, how much did it cost the council to run these halls and how much it would take to cover these costs. This would enable them to make an informed decision next year on whether to have only one or two scales of charges for the coming year.

**25. 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.

**26. FUTURE MEETINGS**

- 1) The meeting noted the scheduled future date for these meetings.
- 2) It was noted that there was a discrepancy between the date of the last meeting of the year shown on the agenda as 28 March 2017 and that shown on the work programme as 28 April. On researching this the 28 March 2017 date was the right one. The date on the work programme would be altered to reflect this.