

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON TUESDAY, 7 FEBRUARY 2017
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.30 - 9.00 PM**

Members Present:	S Kane (Chairman), A Patel (Vice-Chairman), N Bedford, D Dorrell, R Gadsby, R Jennings, J Lea (Chairman of the Council), C Roberts, D Roberts and J M Whitehouse
Other members present:	A Lion
Apologies for Absence:	A Boyce, A Mitchell and H Whitbread
Officers Present	P Maddock (Assistant Director (Accountancy)), J Twinn (Assistant Director Benefits), E Higgins (Insurance & Risk Officer) and A Hendry (Senior Democratic Services Officer)

40. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was noted that Councillor J Lea was substituting for Councillor H Whitbread.

41. NOTES OF PREVIOUS MEETING

Minutes

The notes of the meeting held on 6 December 2016 were agreed subject to noting that Councillor D Roberts had given her apologies; and also amending the sixth paragraph of minute item 32 (Corporate Plan Key Action Plan 2016/17...) to read "Councillor Jennings said as a general observation..."

Matters Arising

Mr Maddock updated the Committee on the discretionary charges for people on Housing Benefits (minute item 28). There was a 50% discount but there was a data protection issue and the ability to cross check names for people on benefits. He was advised that the name could be viewed as long as the Council had advertised there was a 50% discount so suitable members of the public could also apply for the discount.

Councillor Lea said that this was the same discount for pensioners and Mr Maddock agreed saying that the intention was for it to be the same.

Councillor Lion asked if we monitored the number of claim benefits we had. Mr Maddock said that he was not sure if we did but, he could find out.

42. DECLARATIONS OF INTEREST

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

43. TERMS OF REFERENCE AND WORK PROGRAMME**Terms of Reference**

The Committee noted their Terms of Reference.

Work Programme

Item 6 – ICT Strategy - The Committee noted that an update on item 6 would be going to their next meeting.

Councillor Patel wondered if this tied in with what the Governance Select Committee wanted to look at, the new Customer Services project. Mr Maddock said that this would also tie in with what was going to the next O&S Committee, a PICK form to scrutinise the transformation project.

Councillor Lion noted that the new Customer Services Manager would be reporting to the Management Board and then on to the Cabinet.

Councillor Kane agreed that this should be added to the next years Work programme.

Item 17- Shared Services working - it was noted that the new payroll system was now up and running. Officers were giving it some time to bed-in and will be reporting back on it at the July 2017 meeting.

Councillor Lion noted that there was nothing on Facilities Management, who have been upgrading the energy efficiency of the building. Would the Committee like to look at this. Councillor Patel agreed that it would be useful. He would like to know the payback period on these investments. Councillor Lion noted that there was still parts of this upgrade to be carried out. Mr Maddock commented that every autumn they continued with a rolling five year maintenance programme. Maybe a report could go to this meeting in the new year.

Councillor C Roberts suggested that this could be reflected back to the public as a good news story.

Item 21 – Review of Agency Staff and costs – Mr Maddock said a report would be going to the next meeting of this Committee.

44. INSURANCE CLAIMS STATISTICS

The Risk Management and Insurance Officer, Mr Higgins introduced the report on Insurance Claims Statistics. The statistics were for 2011/12 to 2015/16. The Council's insurance cover was provided by Zurich Municipal. All the insurance claims shown directly affected the Council but did not include policies that were recharged. Table 1 showed claims for our fleet vehicles over this period and it was noted that our drivers only had 10 claims, the rest were when we were hit by other drivers.

Councillor Bedford asked if our vehicles were fitted with black boxes or dash-cams. Mr Higgins said that they were not, but they were fitted with trackers.

Councillor Bedford asked about the fire damage claims made and if smoke detector alarms were fitted. Mr Higgins said that all properties had them fitted. The Council

had recently changed the battery operated ones with the kind that were wired into the mains. Councillor Dorrell noted that one of these claims was due to a direct lightning strike.

Councillor Bedford added that the Chief Fires Officer had offered to match fund one for one on sprinklers and that the Communities select Committee should be informed about this offer.

Councillor Patel asked about the way that the claims were processed, how would it affect our premiums. Mr Higgins said that we had entered into a long term contract with Zurich so our premiums tend not to change, except for the vehicles.

Councillor Patel then asked what support we got from Zurich on Public Liability claims. Mr Higgins replied that they handled all our claims from the very beginning of the process to the finish. They had the expertise in house and their charges were in our premiums.

Councillor Bedford on commenting on the vehicles was really wondering about the fitting of vehicle 'black box' technology which if fitted could reduce our premiums. Mr Higgins agreed and noted that Zurich had suggested we install dash-cams. He was advocating for the installations of these on Council vehicles. He noted that Zurich would be sending a Risk Management Analyst to inspect our regimes and advise us on them. He would provide a future meeting with a report on the outcome.

Councillor Patel asked if Zurich could indemnify us for HR claims in the future for such things such as employment tribunal costs. Mr Higgins said that he would ask this question at next years renewal negotiations.

RESOLVED:

That the report on the Council's Insurance Claims statistics be noted.

45. BENEFITS FRAUD AND COMPLIANCE UPDATE

The Assistant Director Benefits, Janet Twinn introduced the report updating members on the work being undertaken to combat both Housing Benefit and Local Council Tax Support fraud and compliance.

The meeting noted that the Housing Benefit fraud investigation ceased to be the responsibility of the Council from 1 October 2015. The existing Investigation Officers at that time were transferred to the Single Fraud Investigation Service (SFIS), part of the Department for Work and Pensions. The Council however, still remained responsible for the verification and checking of Housing Benefit applications. Local Council Tax Support was the Council's own scheme and therefore the Council remained responsible for Local Council Tax Support fraud and compliance.

Officers had known for some time that Housing Benefit investigation work was going to be transferred to the Department for Work and Pensions (DWP) from 1 October 2015 and had therefore restructured both the Benefits Service and the Internal Audit service to manage benefit compliance work and Local Council Tax Support fraud and compliance. A compliance team was set up in the Benefits Division to carry out reviews of both Housing Benefit and Local Council Tax Support applications and a Corporate Fraud team was set up as part of the Internal Audit Service.

The DWP advised of the procedure to be followed to refer claims to the Single Fraud

Investigation Service (SFIS). Where there was suspicion of Housing Benefit fraud, the Benefits Division made an on-line referral to SFIS and a team within the DWP would assess the referral and decides whether it was worthy of being passed to an investigating officer, who could be based anywhere in the country. If they did not consider that it should be passed to SFIS, they would decide whether the referral should be passed to their own compliance team who would phone the claimant and ask some questions or, they could decide not to pursue the referral at all. If they decided to investigate, the investigating officer would contact the Authority and request that we send them all the documents associated with the claim. Unfortunately, the Authority was not advised which action was to be taken and, of the 37 cases that had been referred to SFIS since October 2015, there has been no further contact from them. The only contact that we have had from SFIS in relation to requests for information and the reassessment of entitlement, were cases where the investigation had been instigated by SFIS. It was known that staff were not happy there and tended to leave.

However, our Compliance Team reviews both Housing Benefit and Local Council Tax Support applications, either by asking for a review form to be completed, or by visiting or telephoning claimants and checking whether any of their circumstances had changed. The team was very proactive in visiting claimants and they would check that a claimant was actually resident, the household composition, and also the relationships between occupants of the property. They also visited every claim where there was a tenant renting a room from a resident landlord as frequently the landlord and tenant were in a relationship or they are close relatives and therefore ineligible for Housing Benefit. Several claims have been withdrawn during visits when it was obvious that the circumstances were not what were originally presented to the Authority. The team worked closely with the Council Tax section and would advise of any cases where they have identified that a council tax discount should be removed. They also work closely with the Benefit Overpayment Officers and have succeeded on several occasions in facilitating a quick repayment of an overpayment where they had identified an unreported change which had resulted in an overpayment.

The Compliance team were also undertaking enquiries into any data-matching mismatches notified to us by the Housing Benefit Matching Service, or any claims referred to us by HMRC where they have identified mismatches though their Real Time Information (RTI) system which gathers earnings information. Currently, there are mandatory RTI's which we had to action, but there were also optional RTI's where there was no obligation on the Authority to investigate. However, the Compliance team was looking at both mandatory and optional RTI's and recalculating entitlement as necessary. The HMRC intend to expand the RTI system and the Compliance team would then have on-line access to RTI information when required, instead of only being able to obtain information when the HMRC send a mismatch file. When this was available, it would help speed up benefit processing times in general as earnings details would be readily available to Assessment Officers.

Additionally, the Compliance team also undertook some welfare visits where the claimant required assistance with claiming or to check to see if someone was exempt from the Removal of the Spare Room Subsidy where there was a disabled child or an overnight carer.

It should be noted that we were not allowed to carry out our own prosecutions anymore although we would if we could, for example of persons who claim they have children living with them but do not but use this to claim larger properties.

Councillor Kane asked if this was just the tip of an iceberg and would there be a lot more that we did not know about. Ms Twinn said that SFIS tended to just phone a claimant, ask them standard questions and if satisfied would sign off on that case. This also meant that Local Authority officers did not really trust SFIS to do a thorough job.

Councillor Bedford wondered if we could ask an area manager from SFIS to come and talk to us. Ms Twinn responded that officers were not sure who they were. Councillor Kane said that maybe we should get our local MP involved and establish who they were through them. Ms Twinn said that the Director of Resources would take this back to National Audit as other authorities had the same kinds of problems.

Councillor Lion asked if these problems had been reported to the Finance Portfolio Holder. He was told that the Portfolio Holder had been informed. Councillor Lion asked how much did this cost us. Ms Twinn said that one overpayment was over £90,000; and we did prosecute them.

Councillor Chris Roberts asked what other Councils were doing. Ms Twinn said that they were as helpless as we were. But we do our own compliance and visits and so were ahead of the game on this.

Councillor Whitehouse said that this was a very useful report, he was pleased to see in paragraph 7 that we also assisted claimants who needed it and did not overlook people in need. Ms Twinn noted that we were building up on our welfare side.

It was noted that when we went after an overpayment, say of £100; the government gave us £40, and if we recovered the £100 we would keep that and the £40.

Speaking on staff turnover in the SFIS it was noted that a lot of the contacts made there tended to disappear within months. It was unknown if they resigned or had been moved on to a different office or another part of the country. Councillor Bedford asked if we could put in a Freedom of Information request to SFIS asking for their management structure. Councillor Lion said it would not hurt to go to our MPs as well. Councillor Kane added that this was a major issue that covered other authorities.

Ms Twinn noted that all authorities in Essex were working on Data Matching, that is putting their data into one big 'pot' to find any discrepancies that crossed borders, matching data that had not been matched before. This was only possible now that they have got over the legal hurdles and the data matching problems. They have a company working on this to pull it all together, putting the data into secure servers. It was hoped to increase the Council Tax base and to extend beyond this into other areas, increasing our income in other sections. This data base would be going live soon. The Chairman asked if we could have some feedback on this project in the new year.

RESOLVED:

- (1) That the Committee noted the report on Benefits Fraud and compliance;
- (2) That an updating report on Data Matching be brought to a future meeting.

46. KEY PERFORMANCE INDICATORS 2016/17 - QUARTER 3 PERFORMANCE

The Assistant Director, Accountancy, Mr Maddock introduced the quarter 3 performances of the Key Performance Indicators 2016/17. The meeting noted that as part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's services and key objectives, were adopted each year by the Finance and Performance Management Cabinet Committee. Performance against the KPIs was monitored on a quarterly basis by Management Board and overview and scrutiny to drive improvement in performance and ensure corrective action was taken where necessary.

The overall position for all thirty-seven (37) KPIs at the end of the third Quarter was as follows:

- (a) 26 (70%) indicators achieved third quarter target;
- (b) 11 (30%) indicators did not achieve third quarter target, although 4 (11%) of KPIs performed within the agreed tolerance for the indicator; and,
- (c) 31 (84%) indicators were currently anticipated to achieve the cumulative year-end target and a further 3 (8%) were uncertain whether they would achieve the cumulative 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 Q3 for these nine indicators, were as follows:

- (a) 7 (78%) indicators achieved target;
- (b) 2 (22%) indicators did not achieve target,
- (c) 0 (0%) indicators performed within the agreed tolerance for the indicator;
- (d) 8 (89%) of indicators were currently anticipated to achieve their year-end target and a further 1 (11%) was uncertain whether it would achieve the year-end target.

RES004 – *what % of the district's annual business rates was collected* – it was noted that this was only just under target. It was noted that the NHS were now paying over a 12 month period and not the 10 month period they used to. If this was taken into account then we would be above the target.

RES006 – *on average, how many days did it take us to process notices of a change in a benefit claimant's circumstances* – Councillor Dorrell noted that there were seasonal differences on this target, could we adjust the targets to take this into account. Mr Maddock said that this would need to be done for the new year. Ms Twinn added that this target was like this every year. It was high target for the first three quarters and a low one for the last quarter. Councillor Kane said that these were known variances and it should be revised. Ms Twinn assured the meeting that they would meet the target at the end of quarter 4.

Councillor Kane commented that RES009 (*are customer needs being met by the Corporate Website being available*); RES010 (*are customer needs being met by the main Corporate Website not having broken links*); and RES011 (*are customer needs being met by the main Corporate Website having effective navigation*) were worthless as the performance graphs generated flat lines thus making the measurements meaningless. Councillor Lion said that we should look at what the customer saw and felt about our website; this has been recognised as a problem and our new Customer Services Manager will be looking into this.

Councillor Patel asked what they would like to look at if not RGS009, 010 and 011. Councillor Kane replied that this would depend on next year's Key Action Plan. Councillor Kane asked if these KPI's could be dispensed with. Councillor Whitehouse commented that it was difficult to measure how easy it was to find what members of the public wanted to find. Also if we knew if they were using our web forms and not phoning us. In short, we needed some sort of customer service measurement.

The Committee agreed that it would be agreeable to loose KPIs RES009, 010 and 011 in the new year.

RESOLVED:

- 1) That the Select Committee noted the KPIs performance for quarter 3 in its area of responsibility; and
- 2) That KPIs RES009, 010 and 011 be dropped from next years indicators.

47. CORPORATE PLAN KEY ACTION PLAN 2016/17 - QUARTER 3 PROGRESS

The Assistant Director, Accountancy, Mr Maddock introduced the quarter 3 progress report of the Corporate Plan Key Action Plan for 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 are supported by Key Objectives, which provided a clear statement of the Council's overall intentions for these five years.

The Key Objectives were delivered by an annual action plan, with each year building upon the progress against the achievement of the Key Objectives for previous years. The annual action plans contained a range of actions designed to achieve specific outcomes and were working documents and therefore subject to change and development to ensure the actions remained relevant and appropriate, and to identify opportunities to secure further progress or improvement.

Some actions have cross directorate responsibility. Where this is the case the most appropriate Select Committee was requested to consider the action. This report presented progress against the Key Action Plan for 2016/17 for actions most appropriately considered by the Resources Select Committee.

Progress against the Key Action Plan is reviewed on a quarterly basis to ensure the timely identification and implementation of appropriate further initiatives or corrective action where necessary. Q 3 progress against the individual actions of the 2016/17 Key Action Plan is as below:

There were 49 actions **in total** for which progress updates for Q3 are as follows:

• Achieved or On-Target:	26 (53%)
• Under Control:	13 (27%)
• Behind Schedule:	4 (8%)
• Pending:	<u>6 (12%)</u>
	Total 49 (100%)

13 actions fell within the areas of responsibility of the Resources Select Committee. At the end of Q3:

- 8 (62%) of these actions have been 'Achieved' or were 'On-Target'
- 2 (15%) of these actions were 'Under Control'
- 1 (8%) of these actions were 'Pending'
- 2 (15%) of these actions were 'Behind Schedule'

Councillor R Jennings asked what the status indicator 'under control' meant. Was it out of control before? Mr Maddock said that the Performance Improvement Unit should use a better term as it indicated an ongoing situation for that target that could be handled by officers by simply, for instance, changing the target date.

Councillor Patel noted that at a recent Audit and Governance meeting the same problem was identified. If a target date was not met then the officer should explain why not.

Councillor Dorrell said that 'amber' usually meant that the target was in trouble and not under control. Once a date had slipped then it has to be noted and reported on.

Councillor Lion noted that item 3 (develop additional business cases) was a rolling programme and so it was strange to put a target date on it. Councillor Patel said that this had also been raised before. There needed a better way to report this for the entire council. Councillor Lion added that these were not SMART objectives and they should be. Councillor Jennings agreed. Councillor Patel said that this should be put to Management Board as a general issue and have them look at it and take it forward.

Councillor Patel asked about the Council's apprenticeship scheme and where were we with the apprenticeship levy. Mr Maddock said that we had to pay £69k next year but were confident that we could use all this in our proposed schemes.

RESOLVED:

- (1) That the Committee noted and reviewed the third quarter (Q3) progress of the Corporate Plan Key Action Plan for 2016/17 in relation to its areas of responsibility;
- (2) That the Performance Improvement Unit find a better term than that used for an amber target as 'under control';
- (3) That the Committee identified that the objectives should be recast more as SMART objectives; and
- (4) That item 3 (develop additional business cases) was a rolling programme and should not have a target date set.

48. COST OF MEMBER AND CORPORATE SERVICES

Mr Maddock introduced the report providing information on the cost of Member and Corporate Services, how it was calculated and what was the definition of these services. The two areas that this report was concerned with was Corporate Management which was made up of two cost centres and Member Activities which was made up of six cost centres. The former fell within the Office of the Chief Executive budgets and the latter, Governance.

Corporate Management sometimes referred to as Corporate Policy Making was the cost of managing the authority as a whole and includes the cost of the Chief Executive, management board meetings, production of the accounts, external audit, Cost of maintaining a corporate bank account and a number of other similar costs. There was a popular misconception that a service area that provides support to all areas of the Council was a charge to Corporate Management, this was not the case as the definition was rather more narrow than that and the costs of these functions should be apportioned out to all Council services.

Member activities were sometimes referred to as Democratic Representation and as the name suggested was concerned with the cost to the authority of having elected members. It included Members Allowances, the holding of committee meetings and provision of agendas, the cost of attendance at external meetings where the member was representing the Council, officer advice to members and the provision of member admin services.

As regards the total cost of both of these services the HRA should bear a proportion of the cost as members and officers carrying out this work clearly make decisions that affect both the HRA and General Fund.

As regards to Corporate Management, a significant proportion of the costs relate to officer time and all the cost of the Chief Executive. As regards Member activities, much of the costs were incurred regardless of the number of meeting held. A proportion related to office space including the Council Chamber, Members Room and Committee Rooms. The majority of the Democratic Services Team were also charged here along with support provided to members by other officers.

It was noted that the costs of Corporate Management and Member Activities were quite significant and based on the 2017/18 original estimate represent 12% of the General Fund 'Net Cost of Service' of £17.959 million. However in common with a number of other services there was a significant fixed element to the costs which would only vary when large scale changes were made.

Councillor Lion noted that the production of paper agendas was now moving over to a paperless agenda system. There were now no more Council Bulletins on paper. He asked what was the cost of paper agendas. Mr Maddock said that he would find out.

Councillor Patel said that the report was interesting and that it fed into the Transformation project with its costs for the building and offices.

The Committee had a short discussion on Members ability to read or connect to the new electronic Members Bulletin and their problems generally viewing things on line.

RESOLVED:

That the Committee noted report on the cost of Member and Corporate Services.

49. 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.

50. FUTURE MEETINGS

The date of the upcoming meetings were noted.