

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance **Date:** Thursday, 22 March 2018
Management Cabinet Committee

Place: Committee Room 1, Civic Offices, **Time:** 7.00 - 7.45 pm
High Street, Epping

Members Present: Councillors G Mohindra (Chairman), S Stavrou, A Lion, C Whitbread and J Philip

Other Councillors:

Apologies:

Officers Present: P Maddock (Assistant Director (Accountancy)), D Macnab (Acting Chief Executive), D Bailey (Head of Transformation) and R Perrin (Democratic Services Officer)

41. Substitute Members

The Cabinet Committee noted that there were no substitute members for this meeting.

42. Declarations of Interest

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

43. Minutes

RESOLVED:

That the minutes of the meeting held on 18 January 2018 be taken as read and signed by the Chairman as a correct record.

44. Key Performance Indicators - 2017/18 Quarter 3 Performance

The Assistant Director (Accountancy) reported that the Council was required to make arrangements to secure continuous improvement in the way in which its functions and services were exercised, having regard to a combination of economy, efficiency and effectiveness. As part of the duty to secure continuous improvement, a range of 32 Key Performance Indicators (KPI) relevant to the Council's service priorities and key objectives, were adopted in March 2017. Performance against all of the KPIs was reviewed on a quarterly basis.

The position with regard to the achievement of target performance for the KPIs at the end of the third quarter (31 December 2017) was as follows:

- (a) 25 (78%) indicators achieved third quarter target;
- (b) 7 (22%) indicators did not achieve third quarter target, although 4 (13%) of KPIs performed within the agreed tolerance for the indicator; and,

(c) 25 (78%) indicators were currently anticipated to achieve the cumulative year-end target, 4 (13%) indicators were anticipated not to achieve year-end target and a further 3 (9%) were uncertain whether they would achieve the cumulative year-end target.

The Sub-Committee noted that GOV008 was behind the target set, although the Planning and Governance Portfolio Holder advised that the definition of the KPI required changing, to better reflect all the information regarding appeal decisions and the Sub-Committee were not unduly concerned by this KPI.

The Sub-Committee noted that the KPIs had been scrutinised at the Select Communities and Overview and Scrutiny Committee at length and were happy with the Council's performance.

Resolved:

(1) That the Quarter 3 performance for the Key Performance Indicators adopted for 2017/18 be noted.

Reasons for Decision:

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement would be addressed, and how opportunities would be exploited and better outcomes delivered. It was important that relevant performance management processes were in place to review and monitor performance against the key objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

Other Options for Action:

No other options were appropriate in this respect. Failure to review and monitor performance could mean that opportunities for improvement were lost and might have negative implications for judgements made about the progress of the Council.

45. Quarterly Financial Monitoring

The Assistant Director (Accountancy) presented the Quarterly Financial Monitoring report on key areas of income and expenditure for the period covering 1 April 2017 to 31 December 2017. The reports were presented based on which directorate was responsible for delivering the services to which the budgets related.

The salaries schedule showed an underspend of £233,000 or 1.4%. The Resources Directorate was showing the largest underspend of £123,000, which related mainly to Housing Benefits, Facilities Management and Revenues. Neighbourhoods shows an underspend of £52,000 but it had been assumed that money from the Local Plan DDF budget would be required to prevent the salaries budget from becoming overspent. Other directorates were showing an underspend of around £20,000 each.

Within the Governance Directorate, Development Control income was down on expectations and the lower budget of £977,000 was probable. The Building Control income had been revised upwards from £450,000 to £530,000 and may exceed the anticipated outturn. The ring-fenced account had assumed a deficit of £129,000 due to the amount of scanning work required, however this had been revised to a small surplus of £6,000 which also now looked likely to be exceeded. Public Hire licence income and other licensing were close to expectations. The income from MOT's

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carried out by Fleet Operations was left and although the account would still show a deficit in 2017/18, it was possible that it would be lower than expected.

Within Neighbourhoods Directorate the Car Parking income was on track. The shopping park had been included as the first units were now due to pay rent. Income in 2017/18 would be around £200,000 lower than expected as some units were let later than expected and tenants had not been identified for all the units when the budget was set, but the last three units were now in the final negotiations. Local Land Charge income was £3,000 below expectations. The waste and leisure management contract are both pretty much on track.

Within the Communities Directorate, expenditure and income relating to Bed and Breakfast placements had started to increase. Most were eligible for Housing Benefit and although some would be re-imbursed by the Department for Work and Pensions it was only around 50%, leaving a similar amount to be funded from the General Fund. Staff in the Communities directorate were keeping such placements to an absolute minimum and use of the Zinc arts and other similar schemes were expected to help keep expenditure down. The Housing Repairs Fund showed an underspend of £65,000, in both Planned Maintenance and Responsive work. There was also a variance on HRA Special Services which related mainly to tree maintenance and utility costs and underspends looked likely.

The Business Rates for funding purposes were set in the January preceding the financial year in question and for 2017/18; the funding retained by the authority after allowing for the Collection Fund deficit from 2016/17 was £3,499,000. This exceeded the government baseline by £389,000 and the actual position for 2017/18 would not be determined until May 2018.

The Cash collection at the end of December, totalled £25,775,272 and payments out were £25,788,005, meaning the Council had paid out £12,733 more in cash than it had received. Although this represented a fraction of 1% when compared to the amounts collected overall.

In conclusion, income streams were either slightly below or above expectations but not significantly and expenditure was below budget which was often the case at this stage in the year. The Sub-Committee were asked to note the position on both the revenue and capital budgets.

The Acting Chief Executive advised that there was still a back log of invoices from Counsel and further costs associated with the Judicial Review would be forth coming. He informed the Sub-Committee that the three remaining units at the Epping Forest Retail Park were in negotiations and concerns raised regarding the car parking charges in relation to The Broadway, Debden would be picked up in the Parking Review. Furthermore, the Section 278 Highways Works had been problematic with substantial delays and a final contract sum had been agreed at £4,250,000 with £165,000 being recovered from Essex County Council.

Resolved:

That the Revenue and Capital Financial Monitoring Report for the 1 April 2017 to 31 December 2017 be noted.

Reasons for Decision:

To note the third quarter financial monitoring report for 2017/18.

Other options Considered and Rejected:

No other options available.

46. Risk Management - Corporate Risk Register

The Assistant Director (Accountancy) presented a report regarding the Corporate Risk Register.

The Corporate Risk Register was considered by Management Board on 7 March 2018 and by the Risk Management Group on 8 March 2018. These reviews identified updates for the Corporate Risk Register which included;

(a) The Risk Owners for four of the eleven Risks within the Corporate Risk Register being updated as detailed in the below table.

Risk No.	Risk Name	New Risk Owner
4	Finance Income	Peter Maddock
6	Data/Information	Simon Hill
8	Partnerships	Alan Hall
11	Transformation Programme	Derek Macnab

(b) Risk 3 - Welfare Reform

The Key Date had been updated to 31 December 2018, which signifies the full implementation of Universal Credit within the district. The impact of the full implementation may not be known until some months later. Therefore, a further Management Action had been added to advise that a review would be required.

(c) Risk 11 - Transformation Programme

A Required Further Management Action had been added following the listing of the Civic Offices, which advised that the Council were to work with Historic England to ascertain the extent of the works that could be done to satisfy the listing criteria.

The Sub-Committee discussed Risk 1 – Local Plan with regards to the Judicial Review and extension of the Government deadline for submission of the Local Plan. It was felt that the Risk would be review to reflect new timescales but there would be no change to the Risk.

Resolved:

- (1) That the Risk Owners for Risk 4, 6, 8 and 11 be updated;
- (2) That the Key date and Required Further Management Action for Risk 3 be updated;
- (3) That the Required Further Management Action for Risk 11 be updated;
- (4) That Risk 1 be reviewed by the Acting Chief Executive and Planning Portfolio Holder.

Recommended:

- (5) That the amended Corporate Risk Register be recommended to Cabinet for approval.

Reasons for Decision:

It was essential that the Corporate Risk Register was regularly reviewed and kept up to date.

Other Options Considered and Rejected:

Members may suggest new risks for inclusion or changes to the scoring of existing risks.

47. Any Other Business

The Head of Transformation advised that the progress reporting and performance indicator set for the Corporate Plan 2018-2023 had been presented to three of the Select Committees and would proceed onto the remaining Select Committee and Overview and Scrutiny Committee on 17 April 2018. The feedback from these Select Committees had varied and resulted in the request for further training for members.

The Acting Chief Executive advised that the Chairman of the Overview and Scrutiny Committee had received comments from members about how effective the scrutiny could be if they could not get to grips with the new indicators and this would require further discussions.

CHAIRMAN