

EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF FINANCE AND PERFORMANCE MANAGEMENT SCRUTINY
PANEL
HELD ON TUESDAY, 17 JUNE 2008
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.00 - 8.12 PM

Members Present: G Mohindra (Chairman), , K Angold-Stephens, J Collier, M Colling, J Philip, W Pryor, A Watts and J M Whitehouse

Other members present: Mrs D Collins, D Stallan and C Whitbread

Apologies for Absence: D Jacobs and J Hart

Officers Present D Macnab (Deputy Chief Executive), J Gilbert (Director of Environment and Street Scene), J Preston (Director of Planning and Economic Development), P Maddock (Assistant Director Accountancy), R Wilson (Assistant Director Operations), P Maginnis (Assistant Director Human Resources), M Tipping (Assistant Director of CSS - Facilities Management and Emergency Planning), Mrs J Twinn (Assistant Head of Finance) and A Hendry (Democratic Services Officer)

1. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The Panel noted that there were no substitute members.

2. ELECTION OF VICE CHAIRMAN

With the agreement of the Panel, Councillor K Angold-Stephens was appointed Vice Chairman for the duration of the meeting.

3. DECLARATION OF INTERESTS

No declarations of interest were made.

4. NOTES FROM THE PREVIOUS MEETING

The notes from the previous meeting held on 27 March 2008 were agreed.

5. TERMS OF REFERENCE / WORK PROGRAMME

The Panel noted the Terms of Reference and Work Programme and that they would be looking at the Essex Local Area Agreement (LAA2) this year as LAA1 had been reported on last year.

That the Chairman's name on the terms of Reference needs to be corrected.

Under item 3 of the work programme, the date 11 November 2007 should be 2008 and that item 8 would be going to the 8 August meeting.

6. KEY PERFORMANCE INDICATORS 2007/08 AND 2008/09

The Deputy Chief Executive introduced this report on the Council's performance in relation to Best Value Performance Indicators (BVPIs) and Local Performance Indicators (LPIs) for 2007/08. The Panel noted that this report had recently been considered by the Cabinet Finance Committee. If this Panel had any comments to make they could still do so and have it reported to the next Cabinet meeting if need be.

It was noted that at year end the KPIs for 2007/08 achieved as follows:

- (a) 23 (53.5%) achieved the performance target for 2007/08;
- (b) 6 (13.9%) did not achieve the performance target for 2007/08, although outturn performance was within 5% of the target for the year;
- (c) 14 (32.5%) did not achieve the performance target for 2007/08, and outturn performance was not within 5% of the target for the year;
- (d) 23 (53.5%) improved in performance compared with 2006/07, or maintained the level of performance achieved for 2006/07; and
- (e) 20 (46.5%) worsened in performance compared with 2006/07.

The Panel noted that the new National Indicators (NI) set replaced all existing BVPIs from April 2008. The introduction of the new NI set provided an opportunity for a thorough review to be undertaken of the Council's existing suite of statutory BVPIs and locally determined LPIs. On 10 March 2008, the Cabinet agreed the adoption of a range of existing BVPIs as LPIs from 2008/09 onwards, where these continued to reflect local priorities but had not been brought forward into the new NI set.

Although BVPIs 170a, b and c ('visits to museums and galleries') were not adopted as LPIs; upon review it was thought that these indicators helped reflect the diversity of leisure and cultural activity by the Council. The information was considered useful and it had now been recommended that these indicators be adopted as LPIs for 2008/09. Also BVPI 91a ('households served by kerbside collection of recyclables') be adopted as an LPI. It was also recommended that BVPI 106 ('new homes built on previously developed land') be deleted as an LPI as it was considered meaningless.

It was noted by Councillor Angold-Stephens that the crime and disorder BVIs from page 17 onwards were being deleted but the police reported on some of these and collected some of the statistics. The Director of the Environment and Street Scene explained that these would be reported to the Safer Communities Panel and that was why they were deleted here.

Queried on why the indicator on tenants with more than seven weeks gross rent arrears (BV66b) was being deleted the Assistant Director of Housing replied that in reality rent arrears were the best they had ever been, the reason it was in the red, was that some tenants are under repayments arrangements (e.g. a court order) so are repaying over time. The indicator was out of the Council's control if a court has given them time to pay. Councillor Mrs Collins added it was only down 0.36%, which was not much to worry about.

Councillor Philip queried BV212, 'average number of days to re-let council dwellings'. The Assistant Director of Housing said they had set up a 'voids' working party. Re-lets are being managed as quickly as they could, but they do have difficulty to let properties. Older persons properties are generally the more difficult ones. They have also had problems in getting work done quickly to turn a property around, a problem which they are currently looking closely at. The panel debated whether to keep this on as a LPI for another year and resolved that that it should be kept.

AGREED: that BV212 be kept on for another year.

Councillor Whitbread drew the Panels attention to BV79a, 'accuracy of processing benefit claims'. This was no longer required by the government, but was retained as an LPI. However, a lot of officer's time (about a week) was needed to collect the figures for this indicator, and he wanted the Panel to consider if it was a good use of that officers time.

Councillor Whitehouse was happy to consider measuring it in a different way as he considered it to be an important BVI. The Deputy Chief Executive said they could allow it to be retained but allow officers to measure it differently. Officers were to report back to the next meeting on how they were to achieve this.

AGREED: that BV79a be retained, but officers are to look into measuring this in a different way and to report back to the next meeting.

Councillor Philip commented that BV199a ("Proportion of Land and Highway with unacceptable deposits of litter and detritus") had missed its target quite badly. The Director of the Environment and Street Scene replied that this had been picked up by ENCAMS/DEFRA who thought our performance was too good. They came in and evaluated if the Council were applying the correct methodology. As a result staff have now been re-trained. Our outturn figures and the indicator will change this year to more accurately reflect the Council's achievements.

Councillor Angold-Stephens asked about BV86 ("Cost of waste collection per household"), which was deleted. The Director of the Environment and Street Scene said that there were a number of extra costs to do with South Herts. Waste and employment of Cory. If these costs are taken out they would bring the costs down to a manageable size.

The Panel then looked at the proposed Key Performance Indicators for 2008/09 as listed in the agenda. They noted that the indicators listed 1 to 12 were contained within the Essex Local Area Agreement. They were now a suite of 30 indicators and were to stick to a performance target of 75%. All councils tend to have different aspirations on what targets they should aim for. EFDC took an overview of its rating and wanted to go up to a 75% achieving top quartile performance for the 30 Key Performance Indicators.

Councillor Mrs Collins commented that seemed just right, it was not too high a target to aim for. EFDC are a very good council but are not too good at KPIs. She would ask Directors to make an extra effort this year.

Councillor Whitehouse said that 75% was difficult when we did not know what the targets would be. And as we will not be looking at this until August, we should chose targets when we know what we can achieve. The Deputy Chief Executive replied that in an ideal world we should be able to set targets prior to the start of the year, but in August we would have the benefit of the first quartile monitoring report.

Councillor Watts asked if there were any incentives to the staff in achieving upper quartile marks. The Deputy Chief Executive said that there were no financial incentives, except the desire to provide high quality services. Staff performance is also reviewed annually as part of the POR process.

Councillor Philip asked about the KPI listed at 27, LPI 24 – ‘accuracy of processing benefit claims’, why was it there? The Deputy Chief Executive said it could be taken out, in light of the Panel’s discussion, which was agreed. It will be retained as an LPI.

Councillor Angold-Stephens was pleased to see fewer indicators, it was less to monitor, although the National Indicators seemed to measure such things as Climate Change. The Deputy Chief Executive said they were developed by the Audit Commission. The Council has been provided with a manual on how to measure them; this can be time consuming and the Council will be having a data quality inspection to see if we are getting it right.

RESOLVED:

- 1) That the Council’s performance in relation to Best Value Performance Indicators (BVPIs) and Local Performance Indicators (LPIs) for 2007/08, be noted;
- 2) That subject to the concurrence of the Finance and Performance Management Cabinet Committee it was agreed that:
 - a) former BVPIs 170a, 170b, 170c (Visits to museums and galleries) and 91a ((Households served by a kerbside collection of recyclables) be adopted as LPIs for 2008/09;
 - b) former BVPI 106 (New homes built on previously developed land) be deleted as an LPI for 2008/09;
 - c) BV212 be kept on for another year;
 - d) BV79a be retained, on condition that officers are to look into measuring this in a different way and to report back;
 - e) those performance indicators be adopted as Key Performance Indicators (KPIs) for 2008/09; and
 - f) a target be set for at least 75% of the KPIs for 2008/09 to achieve the relevant performance target for the year.
 - g) LPI 24 to be removed from the list of KPI’s but retained as an LPI and monitored in a more efficient fashion.

7. CAPITAL OUTTURN 2007/08 AND USE OF TRANSITION RELIEF IN 2008/09

The Assistant Director of Finance introduced the Capital Outturn 2007/08 and use of Transitional Relief in 2008/09 report. The report set out the Council’s capital programme for 2007/08, in terms of expenditure and financing, and compared the actual outturn figures with the revised estimates.

The report also identified the proposed use of the transitional capital receipts that remained unused as at 31 March 2008.

The Panel noted that the overall position in 2007/08 was that a total of £10,597,000 was spent on capital schemes, compared to a revised estimate of £12,324,000. This

represents an underspend of £1,727,000 or 14% on the Council's revised capital budget. The underspend was greater on the General Fund schemes than the Housing Revenue Account (HRA) schemes. Expenditure on General Fund projects totalled £4,949,000, which was £1,236,000 or 20% less than anticipated, whilst expenditure on the HRA totalled £5,648,000, which was £491,000 or 8% less than anticipated.

There were some underspends experienced in 2007/08 which have been identified as savings. This was primarily on private sector housing grants where there were underspends of £186,000 and £154,000 on Disabled Facilities Grants and other private sector grants respectively.

There were also two schemes within the non-housing programme on which savings were identified. These include £20,000 relating to the creation of a second computer suite at the Civic Offices which is now complete; and £15,000 set aside to finance the costs associated with the sale of land at Merlin Road. Cabinet had agreed to put this on hold for the time being. The report proposed that the £20,000 saving from the computer suite be returned to the General IT budget from which a top up was vired last year and the £15,000 Merlin Road allocation be returned to the Capital Contingency.

These savings were counterbalanced to a small extent by an overspend of £5,000 on the car park upgrade at Queen's Road, Buckhurst Hill. The report suggested that this sum be taken from the Capital Contingency. Together with the savings identified above, this would generate a net saving of £350,000.

It was noted that authorities which were debt-free on 31 March 2004, were granted transitional relief on a reducing percentage of capital receipts which were deemed "poolable" to a Central Government Pool since the scheme was introduced. This period of transitional relief had now come to an end. However, the Council still has a sum of £500,000 of transitional relief which has not been used to finance capital expenditure to date.

Councillor Watts queried the £124,000 underspend on Springfield, Waltham Abbey. He was told that it was not really an underspend, but a matter of timing as it would be taken up in time.

Councillor Philip noted that the Parking & Traffic Schemes was 100% overspent; would there be anything to spend in 2008/09? The answer was because County Council colleagues were doing reviews that were coming in slowly and a lot of these were coming to fruition at the same time so the Council had to bring in money from future years. Councillor Whitehouse asked if we should be bringing money forward instead back from the future. The Assistant Director of Finance said that they would review this in the autumn and put it right. Councillor Whitehouse asked if this was an overspend problem or just a profiling problem. He was told it was just a profiling one.

Councillor Pryor asked if the Panel could see a Capital Plan for the next four years to help them. The Assistant Director of Finance agreed to provide one and talk to the members about the Capital Budget.

ACTION: Assistant Director of Finance to provide four year Capital Plan.

Councillor Angold-Stephens asked for clarification on the overspend on the Broadway works. The Director for the Environment and Street Scene said that it was due to additional design costs, as the scheme had to be reassessed on more than

one occasion. The scheme was still on course and on budget, as they have bottomed out most of the technical issues. They are looking at late July / early August to start the scheme.

RESOLVED:

1. That the provisional capital outturn for 2007/08 be noted;
2. That the following be agreed and recommended to the Cabinet:
 - a) That retrospective approval for the over and underspends in 2007/08 on certain capital schemes as identified in the report;
 - b) That approval for the carry forward of unspent capital estimates into 2008/09 relating to schemes on which slippage has occurred;
 - c) That retrospective approval for the bringing forward of estimates from 2008/09 into 2007/08 in respect of schemes which had progressed more rapidly than expected;
 - d) That approval for the virement of a £20,000 saving to the General IT budget, to be carried forward to 2008/09;
3. That approval be agreed for the virement equivalent to the remaining net savings of £350,000 to the General Capital Contingency and is recommended to Cabinet which, together with the sum unallocated in 2007/08, is recommended to be carried forward to 2008/09;
4. That the previous approvals to use the unapplied balance of transitional capital receipts for financing contributions to affordable housing schemes be noted.

8. PROVISIONAL REVENUE OUTTURN 2007/08

The Assistant Director of Finance introduced the report on the provisional revenue outturn 2007/08.

It was noted that the Continuing Services Budget (CSB) expenditure was £1,022,000 below the original estimate and £585,000 lower than the revised. The variances have arisen on both the opening CSB, £526,000 lower than the revised estimate and the in year figures, £59,000 lower than the revised estimate.

Of the savings on the opening CSB over half related to staff savings due to vacancies. Actual salary spending for the authority in total, including agency costs, was some £18.544 million compared against an original estimate of £18.926 million. Although the saving of £382,000 was rather lower than in recent years it was still substantial and much of this saving had fallen on the General Fund as opposed to the Housing Revenue Account and the Housing Repairs Fund as was the case in 2006/07. Of the remaining savings of £280,000, £82,000 relates to Housing Benefits with a further four areas seeing savings of £20,000 plus, these are Abandoned Vehicles, Electoral Registration, Grounds Maintenance and Environmental Co-ordination.

The panel noted that two portfolios had seen variations in excess of £100,000 on their DDF when compared to the revised estimate. Finance, Performance Management and Corporate Support Services saw an underspend of £244,000. The three main elements of this related to unspent Local Housing Allowance set up grant, being able to contain increased costs as a result of maternity cover in Housing Benefits within the existing salaries budget and slippage on the implementation of the new Revenues and Benefits system. Environmental Protection saw an overspend of £186,000, which was made up of a £216,000 overspend on Waste Management. This was offset slightly by additional licensing income.

Councillor Philip asked why building control was ring fenced. He was told that the government has asked that it be kept that way, in a rolling programme for four years.

Councillor Philip also asked that the sub-totals be totalled up in the future as it was difficult to follow the tables.

RESOLVED:

- (1) That the overall 2007/08 revenue out-turn for the General Fund and Housing Revenue Accounts (HRA) be noted; and
- (2) That as detailed in Appendix B of the report, the carry forward of £469,000 District Development Fund expenditure be noted.

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

To report back to the Overview and Scrutiny Committee that this Panel had considered the Key Performance Indicators and target setting for the coming year.

10. FUTURE MEETINGS

The schedule for future meetings were noted.