

EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF FINANCE AND PERFORMANCE MANAGEMENT SCRUTINY
PANEL
HELD ON TUESDAY, 20 SEPTEMBER 2011
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.00 - 9.25 PM

Members Present:	D Jacobs (Chairman), G Waller (Vice-Chairman), R Bassett, Ms R Brookes, K Chana (Deputy Portfolio Holder (Safer and Greener)), P Keska, Mrs C Pond and W Pryor
Other members present:	Mrs M McEwen, G Mohindra, Mrs P Smith, D Stallan, Mrs L Wagland, Ms S Watson and C Whitbread
Apologies for Absence:	K Angold-Stephens (Chairman of Council), R Cohen, J Hart and S Murray
Officers Present	D Macnab (Acting Chief Executive), J Gilbert (Director of Environment and Street Scene), A Hall (Director of Housing), J Preston (Director of Planning and Economic Development), J Lewis (Benefits Manager), P Maddock (Assistant Director (Accountancy)), P Maginnis (Assistant Director (Human Resources)), S Tautz (Performance Improvement Manager), M Warr (Performance Improvement Officer), A Hendry (Democratic Services Officer), S G Hill (Senior Democratic Services Officer) and R Perrin (Democratic Services Assistant)

17. WEBCASTING INTRODUCTION

The Chairman reminded everyone present that the meeting would be broadcast live to the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

18. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The Panel noted that Councillor R Brookes was substituting for Councillor Angold-Stephens and that Councillor Pond was substituting for Councillor Cohen.

19. DECLARATION OF INTERESTS

No declarations of interest were made.

20. MINUTES FROM THE LAST MEETING

The minutes of the previous meeting held on 21 June 2011 were agreed.

The Panel noted that a report on the quality of the Council's website (LPI 24b) would go to its next meeting.

21. TERMS OF REFERENCE / WORK PROGRAMME

The Panel noted their Terms of Reference and Work Programme.

22. KEY PERFORMANCE INDICATORS 2011-12 - QUARTER 1 PERFORMANCE MONITORING

The Performance Improvement Manager, Mr S Tautz, introduced the report on the Council's performance against its adopted Key Performance Indicators (KPI) for the first quarter of 2011/12. Members were reminded that a target had been set for at least 70% of the KPIs to achieve target performance by the end of the year.

The Panel noted that since the last meeting, the Council's new interactive Corporate Strategy Guide had been published online and that the opportunity had been taken to review the descriptions and associated definition for each KPI, in order to present this information to members and visitors to the website in a more simple and transparent way.

The Performance and Improvement Manager reported that improvement plans were produced for all of the KPI's each year, setting out actions to be implemented in order to achieve or maintain target performance. The improvement plans were subject to ongoing review between the relevant Service Directors and Portfolio Holders over the course of the year.

It was noted that:

- 15 (53.57%) of the KPIs had achieved the first quarter performance target for 2011/12;
- 12 (42.86%) of the KPIs had not achieved the first quarter target performance target for 2011/12; and
- 1 (3.57%) performance for one KPI (KPI 45) could not be reported for the first quarter of 2011/12, as housing repairs satisfaction data was not currently available. This outstanding information would be reported to the next meeting of the Panel.

KPI 54 and 55 - Planning Appeals –Officer Recommendation and Member Reversal of Officer Recommendation – the description was not clear; was it percentage of appeals or percentage that had been recommended. Officers to consult with relevant member on new wording.

KPI 30 – Percentage of invoices received that were paid within 30 days – noted that the Business Charter was signed last week. The Council had in fact taken a decision 18 months ago to pay local businesses within 20 days.

KPI 31 – What percentage of the district's annual Council Tax was collected – what was the policy on writing off small amounts of Council tax? Noted this was governed by the Council Tax Benefits Scheme – based on the persons circumstances.

KPI 33 – Average days it took to process new benefit claims – was there any cross training in the departments to take up the slack and could the improvement plan be improved. It was noted that quarter 1 was always difficult, they would pick up their performance during the year. This was a specialist area and it was difficult to put in temporary, untrained staff. There was, however, a training officer charged with staff development within the benefits section.

AGREED: that this KPI be closely monitored over the rest of the year.

KPI 35 – How many benefits fraud investigations were completed by the Council – is the Council fully staffed in this section? A Senior Investigator post was presently vacant, but there is a full compliment in other posts. They hope to be up to their target by the end of quarter two.

KPI 43 – *What percentage of urgent repairs to our council properties were completed within 5 working days* – Noted the Council has now approved ‘Mears’ as their contractor and are making good progress. They have a good IT system that the Council will be installing before Christmas. They have a smarter recording management system, making our whole operation more efficient. Under current circumstances tradesmen who leave, cannot be replaced and contractors have to be used, which can cost more. Feedback from Mears says that our establishment levels were sufficient at present.

KPI 52 – *What percentage of minor planning applications were processed within 8 Weeks* – members would like to receive adequate advice and all available information before meeting to cut down on deferrals of applications. The Council should also be equally tough on the validation of the planning applications.

KPI 54 – *...percentage of planning applications recommended by planning officers for refusal were overturned...* - Noted that this wording needed to be amended to make it clearer.

The Panel then considered the KPI improvement plan for 2011/12 and commented that it would be useful to have the improvement plans alongside each of the appropriate performance report pages.

RESOLVED:

That the Council’s performance for the first quarter of 2011/12 in relation to the Key Performance Indicators adopted for the year and associated comments by the Panel be noted.

23. SICKNESS ABSENCE

With the Panel’s agreement the Chairman took agenda item 13 next.

The Assistant Director of Corporate Support Services (HR), Paula Maginnis, introduced a report on Council’s absence figures for 2010/11 and quarter 1 for 2011/12. It included absence figures by Directorate, the number of employees who had met the trigger levels, those who had more than 4 weeks’ absence and reasons for the absence. The Panel noted that quarter 1 was presently below target.

The Council’s outturn figures for 2010/11 was 7.85 days set against a target of 8 days. The target had been revised to 7.75 days for 2011/12.

The target figure for 2011/12 was an average of 7.75 days per employee. For quarter 1 the figure was 7.78 days. During quarter 1, 5.1% of staff met the trigger levels or were above, 23.7% had sickness absences but did not reach the trigger levels and 71.2% had no absences. Currently the trigger levels for initiating management action in cases of excessive sickness absences are:

- (i) during any rolling twelve month period an employee has had 5 or more separate occasions of absence; or
- (ii) during any rolling twelve month period an employee has had at least 8 working days of any combination of un/self certificated or medically certificated absences.

At this Panel's meeting in June, members had requested further analysis of the sickness figures for Housing Services, as at the previous quarter they were the highest figure of all the Directorates. Figures for Housing have shown an improvement over the last 3 quarters and HR have met with Housing management to discuss arrangements and management of sickness levels. It was noted that sickness levels in Housing had reduced by 45% (an average of 1.4 days) since the same quarter last year. Although sickness levels in Housing were significantly above the Council average in quarter 1 last year (3.11 days compared to 1.88 days), they are now lower than the Council average in the latest quarter (1.72 days compared to 1.78 days).

It was noted that the figures for Planning had jumped for quarter 1 and this was because of several longer term cases.

RESOLVED:

That the report on sickness absences be noted.

24. KPI 25 - ENVIRONMENT AND NEIGHBOURHOODS TEAM SERVICE STANDARDS

The Director of Environment and Street Scene, John Gilbert, introduced the report on KPI 25, measuring the response of the Environment and Neighbourhood Team to requests/complaints from the public. An important front line service, it was important that residents received a speedy response to their concerns.

The target for 2010/11 was set at 95% of all requests for service should be responded to within 3 working days of receipt, an increase to the original 90% target. The target for 2011/12 was increased to 97%. However, upon reflection it was considered that a consistent performance in excess of 97% would be extraordinarily challenging and not achievable without maintaining full officer availability throughout the year and losing focus on other priority work. To provide some context to the 97% target, based upon the most recent quarter, failing to respond within 3 days to just 2 enquiries per week would cause the target to be missed.

RESOLVED:

That the performance target for KPI 25 for 2011/12 be returned to its 2010/11 level of 95% from 97%.

25. CAPITAL PROJECTS COST - FORMER LPI 23

The Assistant Director of Finance, Peter Maddock, introduced the outturn report for LPI23, Capital Projects cost performance indicator for 2010/11. During 2010/11 there were seven schemes that met the definition of the indicator, that is, that 90% of Capital schemes completed with an expected cost of £500,000 should be within + or - 10% of the agreed budget. Of the seven schemes two were General Fund Schemes and five were Housing Revenue Account (HRA) Schemes. The General Fund and three of the HRA Schemes were within the target set. The outturn was therefore 71% and missed the target. Whilst the new definition was probably slightly more useful in that it at least captures a larger number of schemes, it still demonstrates the limited value of the indicator due to other considerations that are

not entirely financial that can influence the timing of expenditure.

The indicator was not included in the KPI set for 2011/12 and the capital schemes would continue to be monitored by this panel on a quarterly basis. This seems to be the best approach as detailed comments can be included on each scheme explaining the reasons for slippage or indeed acceleration of expenditure.

RESOLVED:

That the Panel noted outturn for LPI23 for the year 2010/11.

26. VALUE FOR MONEY AND DATA QUALITY STRATEGIES 2010/11 - 2012/13 - REVIEW

The Performance Improvement Manager, Mr S Tautz, introduced the report on the progress made against the Council's Value for Money and Data Quality Strategies for 2010/11. The Value for Money Strategy set out the Council's overall approach to ensuring the provision of value for money services, and the Data Quality Strategy sets out the Council's management arrangements to secure the quality of the data used to manage its functions and services. The Strategies built upon previous work to address issues arising from former assessment and inspection frameworks, and to highlighted areas of best practice.

The Panel noted that the Value for Money Strategy was originally adopted in 2006. The Strategy was first reviewed during 2009, in light of the completion of the detailed corporate 'Value For Money Review' of the Council's costs and performance, that had been undertaken in response to the Audit Commission's concern at the level of costs identified in its Use of Resources judgement for 2006/07. A further review of the Value for Money Strategy was undertaken in 2010, to set out the Council's overall approach to ensuring the provision of value for money services over the three years to 2012/13.

It was noted that, notwithstanding the cessation of former assessment and inspection frameworks, the Council's external auditors were still required to issue an annual opinion on the robustness of the authority's approach to securing Value for Money.

The Data Quality Strategy had also originally been adopted in 2006, in response to the increasing use of performance information for the external assessment of the authority's performance. The Strategy set out a commitment to ensure that the quality of key data met the highest standards, as consistent, accurate, timely and comprehensive information was vital to support effective decision-making and enhanced service provision. The Data Quality Strategy was first reviewed during 2009, in order to identify opportunities for changes and improvements, to also address wider data quality issues and to reinforce the Council's corporate commitment to data quality. A further review of the Strategy was undertaken in 2010, to address issues arising from the former Use of Resources assessment process and Internal Audit reports, and to highlight areas of best practice.

The Strategies assigned responsibility for Value for Money and Data Quality across the Council, and incorporated action plans, progress against which was monitored by Management Board and the Finance and Performance Management Cabinet Committee and Scrutiny Panel on an annual basis.

The Value for Money Strategy itself would be next reviewed in 2012/13.

RESOLVED:

That progress against the Council's Value for Money and Data Quality Strategies for 2010/11 be noted.

27. GOVERNMENT CONSULTATION - LOCALISING SUPPORT FOR COUNCIL TAX IN ENGLAND

The Benefits Manager, Julian Lewis, introduced the report on the Department for Communities and Local Government (DCLG) consultation paper on the proposals to replace Council Tax Benefits in England with a system of 'localised support', administered by local authorities from 2013.

Council Tax would not form part of the Universal Credit, but would remain the responsibility of local authorities. They would need to reduce expenditure on the replacement scheme by 10%. The Government believed that the new system would simplify the current complex system of criteria and allowances, establish stronger incentives for councils to get people back into work and save the taxpayer up to £480 million a year.

A fixed amount of money would be provided by Central Government to local authorities to operate a scheme providing support to pay the Council Tax. This will be 10% lower than the current expenditure on the Council Tax Benefit scheme and each local authority will devise their own scheme with its qualifying criteria.

People of pensionable age would be protected against any reduction in support and would continue to have Council Tax Benefits assessed and awarded at existing levels under the existing rules. This meant that savings will have to be made from claimants of working age and that cuts to working age claimants would be in excess of 10%.

Among the claimants of working age those in receipt of either Guaranteed Pension Credit, Income Support, Job Seekers Allowance (income based) or Employment Support Allowance (income related) would be in receipt of 100% benefits unless there was another adult in the property. This was known as 'passport benefits'. Along with elderly cases this would restrict the 10% cut to 13.5% of the remaining claimants.

The Panel noted that the timescales for implementing a local support scheme for Council Tax did not appear to be achievable. The primary legislation would not be passed until the summer of 2012, following which, any scheme would need to be devised (locally) and publicised; IT systems developed and everything to be in place before February 2013 when annual Council Tax billing took place. The Council's software developer had said that this deadline could not be met.

The Panel also noted that with every local authority devising their own scheme there was potential for a 'post code' lottery. The Essex benefits Managers Group had discussed the possibility of Essex authorities working in partnership, however, due to different demographics within the County, this would be hard to achieve.

The Panel noted the draft response to the consultation set out in the appendix to the report

The Panel and other members present commented that:

- The leader had recently had a meeting with the Local Government Minister at the DCLG and found out that this was a matter driven by the Treasury.
- Similar concerns had been expressed by various Essex authorities on the inconsistencies and the need for consistency across Essex. A committee would be set up to see how this could be achieved.
- All councils were responding in a similar manner to us.
- It would have been better to have linked this with the proposed Universal Credit.
- There would be clear problems in collecting the money from people who would not have the money to pay it.
- This proposal needed to be raised with the local MPs.
- Did the Government expect local councils to subsidise this scheme with their own money?
- There should be at least a unified approach by all of Essex.
- There could be major problems as a number of groups would be exempt from fully paying this.
- If the proposed grant was not fixed over Essex then there was the possibility that we could get an influx from outside our district.
- This may lead the council to reduce services or increase council taxes and we may well be constrained to ask our residents if they wanted an increase in their Council Tax.
- A referendum would be expensive to run.

On considering the draft response the following comments were made:

- Section 9 of the response should be altered to ask for a “national consistent approach”.
- The wording should be strengthened on the unintended consequence of migrating claimants.
- Under Section 7, there should be a consistent approach to Joint Working, by having a consistent scheme developed.
- Perhaps our response should be shared with other local councils.
- They noted that responses were being co-ordinated by Finance Officers from across Essex and a meeting would be arranged to scope out a way forward.

The Panel were concerned that a consistent view should be expressed in this response and that the Cabinet should have a chance to have their say. To this end the report should go to the next Finance and Performance Management Cabinet Committee meeting scheduled for Monday 26 September, 2011. The Chairman of that Committee, Councillor Mohindra agreed that his Committee would review the report.

It was agreed that all members should be alerted to this item, via the Members Bulletin, and be invited to attend the meeting.

RESOLVED:

- (1) That the report on the proposed changes to Council Tax benefits be noted;
- (2) That the proposed response be amended as indicated above;

- (3) That this report should go to the Finance and Performance Management Cabinet Committee on 26 September for their further consideration; and
- (4) That all members be notified of this further meeting to discuss the Council's response.

28. QUARTERLY FINANCIAL MONITORING

The Assistant Director of Finance, Peter Maddock, introduced the quarterly financial monitoring report. This report provides a comparison between the original estimate for the period ended 30 June 2011 and the actual expenditure or income as applicable.

This was the first quarter for 2011/12 and covers the period from 1 April 2011 to 30 June 2011. Salary monitoring data was also presented as it represented a large proportion of the authorities' expenditure. The Panel noted that:

- The salaries schedule showed an underspend of £195,000 or 3.9%, compared to 1.8% at this time last year;
- Investment levels in 2011/12 were slightly above expectation at quarter 1, this was due to additional cash being available for investing;
- The Council had received a little over £1.414m (56.6%) of the original £2.5m investment placed with Heritable Bank as at 30 June 2011, however a further payment in July has brought this figure up to £1.517m (60.7%). Subsequent to this the administrators said the Council could expect to recover between 86 and 90% of the original investment. Previously the council had been notified to expect 85% back and the remaining 15% was charged to the DDF in 2010/11. Any reimbursement received in excess of the 85% will be credited back to the DDF when it is received;
- Building Control Income was generally on track when compared to the budget and was slightly up on the previous year;
- Development Control income at Month 3 was £53,000 above expectations, there had been some significant fees relating to glasshouses in the first quarter so this increase whilst welcome may not be indicative of future periods;
- Hackney Carriage licensing income was slightly above expectations and in line with last years actual to date;
- Other licensing income was in line with expectations;
- Income from MOT's carried out by Fleet Operations was ahead of expectations;
- Introduction of the Local Land Charges (Amendment) Rules 2010, has lead to a reduction in income levels compared to previous years and there was currently legal action regarding the ability to charge for certain types of land charge search. Having said that, income has been slightly better than expected; and
- The Housing Repairs Fund showed an underspend of £336,000. However a larger than average proportion of the expenditure was seasonal falling in the winter months.

Generally income and expenditure so far was broadly in line or better than expected.

RESOLVED:

That the Panel noted the revenue and capital financial monitoring report for the first quarter of 2011/12;

29. BRIEFING NOTE ON KPI 57 AND KPI 59

The Director of Planning and Economic Development, John Preston, introduced a report on the future of three Key Performance Indicators (KPIs) 57, 58 and 59.

KPI 57 – Local Development Scheme (LDS) – Achievement of Milestones – This indicator required the Council to indicate whether or not the milestones in the local Development Scheme had been achieved. It had been suggested that the Secretary of State approve each Local Development Plan, but the Local Development Framework Cabinet Committee resolved that no formal LDS be submitted to the Secretary of State at this stage, but, that an informal timetable be published on the Council's website. The Panel thought that if this was so then there was no reason to carry on with this KPI and it should be deleted.

AGREED: That, subject to the concurrence of the Finance and Performance Management Cabinet Committee, KPI 57 be deleted for 2011/12.

KPI 58 – to measure and report annually the Council's carbon emissions via its own website – this was linked to the Council's signing of the Nottingham Declaration; it must show its achievements on carbon reduction, showing that it has improved its energy consumption. However, there are many smaller satellite buildings for which data was not collected because they did not require Display Energy Certificates (DEC). Until this data is collected the Council's full carbon emissions can never be known.

The Panel commented that:

- this KPI was only useful if all the data was there;
- as the DEC are done annually we should do an annual report on this, a report could be put together for the end of the municipal year;
- an interim report could be put together and put on the website if needed; and
- this would sit happily in the work programme of the Safer Cleaner Greener Standing Panel.

AGREED: That, subject to the agreement of the Finance and Performance Management Cabinet Committee, KPI 58 be deleted for 2011/12 and an annual report on the Council's progress in securing a reduction in its carbon emissions be instead presented to the Safer Cleaner Greener Scrutiny Standing Panel.

KPI 59 – Levels of Fuel Poverty - Information on this had been collected by sending out survey forms to households, asking questions on the levels of insulation, types of heating and boilers, if they had double glazing etc. but this had proved inaccurate as it relied on the knowledge of householders to answer complex questions.

It was noted that the Council could use the districts House Condition Survey to keep a watch in brief on this data; this was carried out every five years. The Council's resources could then be focused on those areas that are found to be in fuel poverty. Alongside this it was suggested that the Council produce a list of actions based on raising awareness and reducing fuel poverty. However, it was also noted that the Energy Trust had already done a report on this. It was thought more important to get information out to households on how to improve the energy use in their houses and inform them of the various grants available.

AGREED: That subject to the agreement of the Finance and Performance Management Cabinet Committee, KPI 59 be deleted for 2011/12 and that a new approach to assessing and addressing levels of fuel poverty in the district be developed for consideration by the Safer Cleaner Greener Scrutiny Standing Panel.

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

To report back to the Overview and Scrutiny Committee with a general update on the reports considered at this meeting.

31. JOINT MEETING

The Director of Housing, Alan Hall, informed the Panel that the Housing Revenue Account (HRA) will be moving to self financing. Part of the process would be to revisit the HRA plan. A meeting of the Housing Scrutiny Standing Panel involving members of this Panel had been proposed to review this. Not only members of the Finance and Performance Management Standing Panel are to be invited to attend but all members, to get the fullest possible consultation.

Officers were looking to hold this meeting week commencing 28 November 2011.

32. FUTURE MEETINGS

The dates for the future meetings of this Panel were noted.