

EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF FINANCE AND PERFORMANCE MANAGEMENT SCRUTINY
PANEL
HELD ON TUESDAY, 19 AUGUST 2008
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.00 - 8.53 PM

Members Present: D Jacobs (Chairman), G Mohindra (Vice-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:

Officers Present D Macnab (Deputy Chief Executive), J Gilbert (Director of Environment and Street Scene), T Carne (Public Relations and Marketing Officer), P Maginnis (Assistant Director Human Resources), P Maddock (Assistant Director Accountancy), N Richardson (Principal Planning Officer), J Kershaw (Assistant Director - Planning Services), R Wilson (Assistant Director Operations), S Tautz (Performance Improvement Manager), V Loftis (Market Research Consultation Officer), M Tipping (Assistant Director of CSS - Facilities Management and Emergency Planning), Mrs J Twinn (Assistant Head of Finance), A Hendry (Democratic Services Officer) and S G Hill (Senior Democratic Services Officer)

11. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The Panel noted that there were no substitute members.

12. DECLARATION OF INTERESTS

Pursuant to the Council Code for Members Conduct, Councillor A Watts declared a personal interest in agenda item 9 (Performance Indicator for accuracy of assessment of Benefit Claims) by virtue of being associated with the software under discussion. He declared that his interests were not prejudicial and that he would remain in the meeting for the consideration of the item.

13. NOTES FROM THE PREVIOUS MEETING

The notes from the previous meeting held on 17 June 2008 were agreed.

14. TERMS OF REFERENCE / WORK PROGRAMME

The Panel noted the Terms of Reference and Work Programme. It was agreed that the years indicated in item 9 of the Terms of Reference and item 7 of the Work Programme should be removed as it was an ongoing item of work.

15. CONSULTATION PLAN AND REGISTER 2008/09

The Public Relations and Marketing Manager, Mr T Carne introduced the Consultation Plan and Register report. This was compiled each year looking at how

effectively Council engaged with the local community. The Consultation Plan sets out the issues on which individual services will be consulting or engaging residents or customers during the year. Mr Carne drew the Panel's attention to two current consultations taking place; one was the 'Big Youth Debate', which was taking place in conjunction with the Youth Council consulting teenagers from 13 to 19. The questionnaires being available both online and by hardcopy delivered to the schools. The other was on the Waste Management Service ascertaining the views of resident's options for revising the collection of residual waste and recyclables.

Councillor Mrs Collins asked that extra information be added to the Plan that included the results of the consultations. This would be more useful to the committee and could be done by adding another column to the table. The Deputy Chief Executive agreed that an extra column could be added stating the key findings.

Councillor Jon Whitehouse asked if the Council was still on schedule for the Epping parking review and did he know what the readership of 'the Forester' was. The Director of Environment and Street Scene, John Gilbert, said that they were about a month behind schedule with the Epping Parking Review. Tom Carne said that the Forester was delivered to every household in the District, but could not tell the actual numbers of its readers. They would need to carry out a consultation exercise on this.

Councillor Whitehouse asked how the views of the younger residents were being taken into consideration, considering that they would probably not read something like 'the Forester'. Mr Carne answered that these consultations exercises were also undertaken on the Council's website.

Councillor A Watts questioned the timing of the report; it should have been to the last meeting of the Panel. Derek Macnab said that the report was unavoidably delayed, and it should have been to the previous meeting so the Panel could have given their views on the proposed consultations.

RESOLVED:

- (1) That the Consultation Plan for 2008/09 and the consultations exercises completed during 2007/08, be noted; and
- (2) That the report be extended next year to include the key points of the results of any consultation exercise undertaken by the Council.

16. NATIONAL AND LOCAL PERFORMANCE INDICATORS 2008/09 - TARGETS AND QUARTER 1 PERFORMANCE MONITORING.

This report was deferred to go to an extra meeting of the Panel, adding in more information, particularly in relation to the distribution of the indicators and historical performance data in order to assist the agreement of targets.

RESOLVED:

To defer the National and Local Performance Indicators 2008/09 – Targets and Quarter 1 Performance Monitoring Report to an extra meeting to be arranged.

17. USE OF RESOURCES ASSESSMENT 2007/08 - CORPORATE VALUE FOR MONEY REVIEW

The Deputy Chief Executive, Derek Macnab, introduced the use of resources assessment report. The Panel noted that a full presentation of this issue went to the last Finance and Performance Management Cabinet Committee meeting, but it was also thought valuable for this Panel to review this report.

Local Authorities are tasked with ensuring that they have proper arrangements in place to secure economy, efficiency and effectiveness in the use of public money, and the Audit Commission are tasked with providing assurance that this is being achieved. In order to do this the Council's performance and financial management arrangements are examined through the Use of Resources (UOR) assessment process. This forms an important part of the annual Direction of Travel Assessment, which is undertaken by the Council's appointed external auditors and reflects the conclusions about whether the authority is improving, and the extent of any such improvement.

In addition to the findings of the Use of Resources Assessment, the Direction of Travel Assessment is based on the authority's achievement of Value For Money (VFM), its performance against statutory performance Indicators during the last year and other inspection exercises carried out over the previous twelve months.

The Council increased its overall Use of Resources score to 3 (Performing Well) last year. The Audit and Governance Committee noted that, whilst the Council had improved its overall UOR performance to the score of 3, the authority had only attained a score of 2 (Adequate Performance) for the VFM element of the assessment.

The Cabinet Committee on consideration of the report recommended that the Audit Commission's attention be drawn to the Council's serious concerns about the accuracy and reliability of the data used in the Audit Commission's comparisons, the fact that not all local authorities had allocated their costs in full, and the review's recommendations that submitted cost data be audited by the Audit Commission in a similar fashion to performance data. They also went on to recommend that the detailed Value for Money Strategy be developed, focusing upon the following elements: a) seeking further efficiency gains; b) reducing service costs where practicable but acknowledging there was no imperative need to reduce overall expenditure on service; and c) re-investing savings, in a targeted fashion, to further improve performance.

The Cabinet Committee also noted that there were so many perceived flaws with the cost data provided by other Councils, the argument regarding value for money should be made on the basis of the level of Council Tax levied by each authority. They argued that the Council could legitimately compare its performance with previous years, and that such a comparison would illustrate that the Council's cost were decreasing.

Councillor Colling pointed out paragraphs 9.5 to 9.7 of the Value for Money Review report which indicated that other Council's data was not accurate and that they needed to get this right before they criticised this Council. The Deputy Chief Executive said that this was raised with the Auditors at the Audit and Governance Committee in January who advised that data collected by a prescribed methodology was national bias and that they had to stick to the format. The Assistant Director of Finance, P Maddock said that they did a number of financial returns, but they did not always have clear definitions of what data to include.

Councillor Watts thought the report was good but the conclusions were not. The Audit Commission had a set of models that they wish the District Council should operate, something that did not interest him. He just wished to supply what his constituents wanted. He looked forward to a detailed report on what this Council needs to target in the next few years.

Councillor Whitehouse asked how the report was to be actioned in practice. Mr Macnab said the next stage was to consider it at Cabinet in September, where members would identify future actions. It may be that the Cabinet asks Scrutiny to review particular areas for them. An ongoing officer review will also take place through the Use of Resources Working Party.

Councillor Mrs Collins agreed with Councillor Watts that the Council did not look at things the same ways as the Audit Commission. Councillor Mrs Collins explained that the District Council were looking after residents in their own way and would not put up the Council tax.

RESOLVED:

That the Panel considered the detailed Corporate 'Value for Money Review' of the Council's costs and performance, undertaken in light of the Audit Commission's concerns. They had no further comments to add to the Cabinet Committee's comments already made.

18. PERFORMANCE INDICATOR FOR ACCURACY OF ASSESSMENT OF BENEFIT CLAIMS

The Assistant Director of Benefits, Janet Twinn, introduced the report on the Performance Indicator for accuracy of assessment of benefit claims.

It was noted that the Department for Work and Pensions (DWP) have replaced BVPI79a with a new "Right Benefit" indicator. To avoid duplication and ensure the best use of scarce resources it was recommended previously that BVPI79a would no longer be reported. At their meeting of 17 June 2008, the Finance and Performance Management Scrutiny Panel did not agree with this recommendation and asked officers to consider if it was possible to retain the indicator in some form. This report set out three alternatives that the Panel could decide upon. They were:

- (a) continue with the checking of 125 benefit claims per quarter; or
- (b) reduce the number of claims checked to 50 benefit claims per quarter; or
- (c) not to adopt a Local Performance Indicator for the checking of accuracy of benefit claims.

The Panel noted that it would take one member of staff a whole week to check 125 claims or two day to check 50 claims, but by using such a small figure it may render the checking process meaningless.

After a short discussion the Panel decided to opt for option 'c' in light of the new National Performance Indicator being developed to measure under and over payments.

RESOLVED:

That the Finance and Performance Management Scrutiny Panel agreed option '2c' of the report, that is:

“not to adopt a Local Performance Indicator for the checking of accuracy of benefit claims.”

19. QUARTERLY FINANCIAL MONITORING

The Assistant Director of Finance, Peter Maddock, introduced the report on financial monitoring for the first quarter, covering the period from 1 April 2008 to 30 June 2008. This was to consider financial monitoring reports on key areas of income and expenditure for each portfolio.

The Panel noted the income budgets were looking somewhat volatile, more so than in 2007/08 whilst Development Control income at month 3 was £30,000 up on expectations due to a couple of larger schemes coming through, Building Control showed an under achievement of £37,000 and Land Charge search income at month 3 was less than half of the expected income. In view of this, reports on both these areas are to be submitted to Cabinet with a view to recommending remedial action to minimise the impact on the 2008/09 budget.

There was also concern over the lower than originally anticipated level of income at North Weald Airfield. This was particularly with regard to Hangar 1, where negotiations were still going on. There were signs that progress was being made, albeit slowly.

Interest income from investments are now included in the report. Interest receipts are above expectations due in part to higher levels of surplus cash invested and better rates being achieved.

The Panel then went through the budgets by portfolios.

Councillor Watts asked about the grants to voluntary groups, why was £38k still unpaid from last year? Councillor Watts was advised that the Council would only pay what was committed if and when the groups had filed accounts and this was what they were waiting for.

Councillor Angold-Stephens noted a variance on the budget for Waltham Abbey Swimming Pool and was informed that Sports and Leisure Management (SLM) were generally slow at producing invoices and the Council were awaiting some outstanding ones from them.

Councillor Pryor said it would be helpful to have a foreseeable end of year outturn, so that members could see if there will be any significant variations. At present the Panel were just looking at the last three months. Mr Maddock said they were just completing a review of the Capital Programme to go to the Cabinet in about October. Figures do not really crystallize until about November to January time and should show we have just about hit our targets. Finance Officers were highlighting items in this report that may be out a years end, but there was always a difficulty so early on at the three month period to pinpoint anything that may go wrong.

Councillor Pryor commented that it was difficult to recover a situation if it was reported late, it would therefore help if the Panel had time to consider any items in plenty of time. Mr Maddock said they would be in a better position to point out any problems at the six month mark.

The Leader of the Council, Councillor Mrs Collins remarked that Councillor Pryor was right; particularly for new members of the Panel without the benefit of historical

background information. Councillor Mrs Collins asked that schemes should be reported with the “traffic lights” warning system and the particular reasons for any variation.

Councillor Pryor added that at the last meeting he did ask for a four year Capital Plan. Mr Maddock replied that it was underway but not completed as yet, but would appear soon.

RESOLVED:

That the panel noted the Revenue and Capital financial monitoring report for the first quarter of 2008/09.

20. VALUE FOR MONEY PERFORMANCE AND COST ANALYSIS 2007/08

The Performance Improvement Manager, Stephen Tautz, introduced the value for money performance and cost analysis report for 2007/08. It was noted that the Council had improved its overall Use of Resources (UOR) performance to a score of 3 in 2007, but only attained a score of 2 (Adequate Performance) for the Value For Money (VFM) element of the assessment. As a result, the Cabinet at its meeting on 9 June 2008 had agreed that a detailed corporate VFM Review be undertaken to analyse a variety of costs and performance data, in order to reach an overall conclusion on the provision of value for money by the Council. As part of the process as in previous years the Cost Analysis Tool was utilised. It was not the intention for the Panel to fully consider the comparative data but to commission a review. This review should be undertaken by a Sub-group of this Panel. This would be the second year that a working party sub-group has done this.

RESOLVED:

- (1) That the Panel noted the Value for Money (VFM) Performance and Cost-Analysis Tool for 2007/08; and
- (2) That a sub-group of the Scrutiny Panel be set up to consider the VFM Analysis Tool in detail and make recommendations for further action to the Overview and Scrutiny Committee. The Sub-Group to comprise of Councillors Jacobs, Mohindra and Watts.

21. COUNCIL PLAN 2006-2010 - ANNUAL PERFORMANCE MONITORING 2007/08

The Performance Improvement Manager, Stephen Tautz, introduced the report on the ‘Council Plan’ which reflected the Council’s medium term aims and priorities and its response to the aspirations of the Community Strategy over the period from 2006 to 2010.

The Scrutiny Panel was requested to note the current performance towards the achievement of objectives and actions contained in the Council Plan for 2006 to 2010.

Each objective had two progress reports attached. One was from March 2007 and the other from March 2008, putting the progress made into some chronological order.

HN7 – *problems associated with vehicle parking in built up areas* - Councillor Angold-Stephens commented that the Council was slipping on Parking Schemes in general. The Director of the Environment and Street Scene, John Gilbert, said that they were one month behind schedule at preset for the Epping review; consequently the

Buckhurst Hill and the Broadway parking reviews were also one month behind schedule. This is due to the County Council inability to collate all the information and bring the proposals forward. They had also lost some critical staff in the last few months and were struggling to fill the vacancies. They have now done so. Councillor Angold-Stephens asked about the commitment to address certain specific areas in parts of Loughton and he was not sure they had been addressed as they should be. Mr Gilbert said the position was that the Council would complete the three reviews as listed. The Cabinet had undertaken not to do any more any more large scale parking reviews in the District, but would look at targeted areas where there was a solution to be had. Frustrating as it was, they could not resource these next pieces of work until they had completed the current work.

SC1 – *to enhance the safety, security and wellbeing of the people using the district's own town centres and public car parks* – Councillor Whitehouse asked if this had been abandoned. The Director of the Environment and Street Scene replied that the Task and Finish Panel looking at this had been wound up but the work had now gone to the new Safer, Cleaner, Greener Standing Panel and had not been abandoned. New specialist staff had recently been taken on to help in this work area.

SC2 – *to reduce the overall level of recorded crime in the district* – Councillor Philip commented that the progress report for March 2008 had still to be filled in. The Director of the Environment and Street Scene agreed (along with FL4) and reported that as a crime reduction partnership they had not met the 16% reduction but they were not alone in that. Progress had been made subsequently and the level of crime in the district was dropping. They were also working in close partnership with the Police.

EP5 – *to respond to issues of deprivation in the district, based on the results of the index of Multiple Deprivation 2004* – Councillor Philip commented that the children centres had not progressed. EP5 (a) did not add up, it worked for (b) but not (a). Mr Tautz said he would look into it. The same point went for **IP2 (B)**.

IP5 – *to achieve top quartile district council performance for each Key Performance indicator* – Councillor Philip pointed out that the first bullet point in the progress report for March 2008 should be 23% and not 3%. This was acknowledged as correct.

RESOLVED:

That the Scrutiny Panel considered and commented upon the performance against objectives, targets and actions contained in the Council Plan for 2006 to 2010 for the period to 31 March 2008.

22. 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 first two meetings of the Panel.

23. FUTURE MEETINGS

The schedule for future meetings were noted.

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