

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance **Date:** 17 November 2008
Management Cabinet Committee

Place: Committee Room 1, Civic Offices, **Time:** 6.30 - 7.30 pm
High Street, Epping

Members Present: M Cohen, Mrs D Collins, Mrs A Grigg, Mrs M Sartin and D Stallan

Other Councillors: J Philip and J M Whitehouse

Apologies: C Whitbread

Officers Present: D Macnab (Deputy Chief Executive), J Gilbert (Director of Environment and Street Scene), R Palmer (Director of Finance and ICT), P Maddock (Assistant Director Accountancy), B Moldon (Principal Accountant), J Boreham (Assistant Public Relations and Information Officer), G J Woodhall (Democratic Services Officer), A Hendry (Democratic Services Officer) and R Perrin (Democratic Services Assistant)

24. APOLOGIES FOR ABSENCE

As the Chairman had tendered his apologies, nominations were invited by the Director of Finance & ICT from the Cabinet Committee to appoint a Chairman for the duration of the meeting.

RESOLVED:

That Councillor Mrs D Collins be appointed Chairman for the duration of the meeting.

25. WEBCASTING INTRODUCTION

The Chairman made a short address to remind all present that the meeting would be broadcast on the Internet, and that the Council had adopted a protocol for the webcasting of its meetings.

26. MINUTES

RESOLVED:

That the minutes of the meeting held on 22 September 2008 be taken as read and signed by the Chairman as a correct record.

27. DECLARATIONS OF INTEREST

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

Conduct.

28. ANY OTHER BUSINESS

It was noted that there was no other urgent business for consideration by the Cabinet Committee.

29. AUDIT COMMISSION INSPECTION OF THE WASTE MANAGEMENT SERVICE

The Director of Environment & Street Scene presented a report regarding the Audit Commission Inspection of the Waste Management Service, undertaken in May 2008. The Inspectors were present on site for a week and interviewed a wide range of Officers, Members and colleagues from partner organisations and agencies. A draft report was presented to Officers and the Portfolio Holder in June 2008 following which a number of agreed amendments were made. The final report was published in late August 2008 and its key findings were:

- recycling performance was high; and
- a wide range of recyclable materials were collected; but
- the service was “Fair” with “Uncertain Prospects” for improvement;
- the service costs were comparatively high;
- the overall weight of waste collected was not reducing;
- accessibility should be improved; and
- the Council’s overall environmental performance was poor.

The Director observed that, given the difficulties that had been faced by the Council through the contract collapse in 2006 and the arrangements which had followed, this was a disappointing judgement. The judgement had been considered harsh, in some cases not based on accurate data comparisons and did not properly reflect the true position. Officers had felt that the Council had demonstrated a clear commitment to improve, had made resources available, and shown an improving service and performance. Three recommendations had been made by the Inspection Team, which had been modified into an Action Plan for implementation. The Cabinet Committee was requested to agree the Action Plan and note the progress made to date.

The Cabinet Committee expressed disappointment at the outcome of the Inspection and that certain problems had not been taken into account, such as the Council having had three different contractors in the 12 months prior to the Inspection and certain key positions had not been filled following the Corporate Management restructure. The Cabinet Committee noted the report and agreed the Action Plan for the recommendations.

RESOLVED:

- (1) That the outcome of the Audit Commission inspection of the waste management service be noted; and
- (2) That the recommendations and associated time scales be noted; and

RECOMMENDED:

- (3) That the action plan be agreed, and the progress made to date be noted.

30. QUARTERLY FINANCIAL MONITORING

The Assistant Director Accountancy presented the Revenue and Capital Financial Monitoring Report for the second quarter of 2008/09, which highlighted the key areas of income and expenditure for each Portfolio along with the Salaries Monitoring Report divided by Directorate.

The Assistant Director reported that salaries had been underspent by £446,000 but this was mainly due to the dispute over the pay award. Although this has now been referred to arbitration, the original 2.45% offer would be implemented with back pay in December. Income budgets had been more volatile than the previous year with concern over the lower than anticipated income from Building Control, Land Charges and North Weald Airfield. Building Control was £36,000 under budget but expenditure had been reduced on consultants in an effort to break even. A separate report regarding Land Charges had been considered by the Cabinet to limit the Council's losses but income at the end of the second quarter was down by £125,000. Service costs were currently being reviewed but the expected reduced income would be reflected in a revised estimate. Income at North Weald Airfield was £52,000 below budget due to ongoing difficulties in letting Hangar 1. A lease had now been agreed with a new tenant and should start in the next few months.

The Assistant Director reminded the Cabinet Committee that the Council had suffered a £2.5million loss with Heritable Bank who, despite being UK registered and regulated, had an Icelandic parent company. A statement from the Administrators was expected before the end of the month, but the Council still expected to recover the majority of its investment. Interest receipts were generally above expectations for the rest of the Council's investment portfolio and were expected to exceed forecasts. The Cabinet Committee was requested to note the position on the revenue and capital budgets along with the Salaries and Major Capital Schemes Monitoring Reports.

RESOLVED:

That the Revenue and Capital Financial Monitoring Report for the second quarter of 2008/09 be noted.

31. FEES AND CHARGES

The Assistant Director Accountancy presented a report concerning the level of fees and charges to be set for the 2009/10 financial year as part of the budget setting process. A general increase of 5 % had been proposed, in line with the retail price index in September 2008, however there were some instances where higher increases had been suggested.

The Cabinet Committee were informed that the proposed car parking tariff for 2009/10 had been based upon generating an additional 8% in income, 3 % above the prevailing rate of inflation, in order to recoup the costs of the ParkMap software package and the improvement works to Bakers Lane Car Park in Epping. The Director of Environment & Street Scene stated that, following concern expressed at the Scrutiny Panel meeting the previous week, the tariffs had been reconsidered but it was felt that the original proposals were still the best option. It was also highlighted that ParkMap had ongoing maintenance costs each year that had to be met and that small annual increases prevented the requirement for occasional large increases. The Leader of the Council emphasised that only three of the parking tariffs had actually increased and that Epping Forest was a very reasonably priced car parking authority.

The Assistant Director Accountancy reported that, in line with the decision of the Cabinet Committee a year ago to recoup the full cost over three years, heating charges at the Homeless Hostel would be increased more substantially than 5%. Development Control fees were set by the Government but it was thought unlikely that there would be an increase for 2009/10. The main variations within the Environment & Street Scene Directorate concerned the introduction of a 50% concessionary rate for pensioners requesting bulky waste collections, and garden waste sacks.

The Director of Environment & Street Scene stated that the popularity of the Garden Waste service with residents had led to increasing costs, estimated at £400,000 in 2007/08. The Cabinet had recently agreed in principle to implement a charging regime for the sacks, and Officers felt that the best solution would be to provide one free roll of sacks (20) to each household within the District per annum and then charge the full cost of any replacement rolls of sacks required. Other options for disposing of Garden Waste included the implementation of an additional wheeled bin with free fortnightly collection, participation in the composting scheme promoted by the County Council, or utilisation of the Civic Amenity sites run by the County Council; all three alternatives would be free at the point of use. The Cabinet Committee felt that further discussion was required before a final decision could be made and hence the preferred option of Officers was to be only considered at the current time, not implemented. It was expected that the sacks would only be required for approximately another year before the implementation of an improved scheme with a Garden Waste wheeled bin and a kitchen caddy for food waste.

RECOMMENDED:

- (1) That, following consideration of the comments of the Finance and Performance Management Scrutiny Panel, a general increase of 5% for fees and charges in 2009/10 be approved;
- (2) That the option of one free roll per household with subsequent rolls charged at full cost be considered as the charging regime for Garden Waste sacks with effect from April 2009; and
- (3) That, having acknowledged the concerns of the Finance & Performance Management Scrutiny Panel, no changes to the proposed car parking tariffs for 2009/10 be made.

32. INSURANCE PERFORMANCE MONITORING

The Principal Accountant presented a follow up Insurance Performance Monitoring report regarding the insurance claim trends on the property policy, as requested by the Cabinet Committee at the previous meeting.

The Cabinet Committee were informed that, over the past three years, claims by leaseholders had remained steady, claims by commercial tenants had oscillated, whilst claims on the Council's own property – housing stock and various Council business premises - has steadily increased. For claims against the Council's own property, the two main dangers had been malicious persons (break-ins, vandalism, theft) and impact by road vehicle, mainly against parking meters. The only measure that had been identified as a result of the insurance analysis had been to desist from using lead on any of the roofs of the Sports Centres within the District, along with painting external walls with anti-climb paint.

RESOLVED:

That the further information provided regarding the insurance claim trends on the property policy be noted.

33. RISK MANAGEMENT - ADDITIONAL RISKS

The Director of Finance & ICT presented a report regarding the addition of two new risks to the Corporate Risk Register. At the previous meeting, the Cabinet Committee had requested the addition of a new risk relating to the current lack of middle management within the Planning & Economic Development Directorate. In addition to this, the Corporate Executive Forum had requested the insertion of a new risk relating to the Council's Investments due to the current state of financial markets. Both risks had been considered by the Corporate Governance Group and were recommended for addition to the Corporate Risk Register, with a score of C2 – significant likelihood, critical impact.

RECOMMENDED:

(1) That a new risk relating to the Management Capacity in the Planning & Economic Development Directorate, risk 25, be added to the Corporate Risk Register and scored as C2 (significant likelihood, critical impact); and

(2) That a new risk relating to the Council's Investments, risk 26, be added to the Corporate Risk Register and scored as C2 (significant likelihood, critical impact).

34. DRAFT GENERAL FUND CSB & DDF LISTS 2009/10

The Assistant Director Accountancy presented a report regarding the draft General Fund lists for 2009/10, following the Financial Issues Paper presented at the previous meeting of the Cabinet Committee. These showed an estimated growth in the Continuing Services Budget of £369,000 and District Development Fund expenditure of £645,000 for 2009/10. The Cabinet Committee were warned that there were a number of areas that required further analysis, including the cost of the Waste Management service and the extension of the contract at Epping Sports Centre. The budget preparation process was still at an early stage and the figures were likely to be revised over the next two months as the budget was finalised. The first draft of the budget for 2009/10 would be considered at the next meeting of the Cabinet Committee.

RECOMMENDED:

That the draft Continuing Services Budget and District Development Fund schedules be noted.

35. DIRECTION OF TRAVEL SELF ASSESSMENT 2008

The Deputy Chief Executive presented a report concerning the Direction of Travel self-assessment for 2008. The Council's annual Direction of Travel assessment would be undertaken jointly in December 2008 by the Audit Commission and the Council's external auditors, PKF (UK) Ltd. As in previous years, the process would involve a voluntary self-assessment exercise and an on-site validation conducting interviews with both Members and Officers. The findings and results would be reported by the Council's external auditors as part of the Annual Audit and Inspection Letter. The draft self-assessment previously circulated to the Cabinet Committee consisted of the following sections: context; what the Council has sought to achieve;

how are improvement priorities being delivered; what has been achieved to date; and what plans do the Council have for the future. The Cabinet Committee was requested to agree the self-assessment for submission to the Direction of Travel assessment.

RESOLVED:

That the Council's draft self-assessment submission in relation to the Direction of Travel assessment for 2008 be agreed.

CHAIRMAN