

3. FINANCE AND PERFORMANCE MANAGEMENT STANDING PANEL

Introduction by Chairman:

“To be inserted.”

*Councillor Derek Jacobs
April 2009*

The Finance and Performance Management Scrutiny Panel consisted of the following Members:

Councillor D Jacobs (Chairman)
Councillor G Mohindra (Vice Chairman)
Councillors K Angold-Stephens, J Collier, M Colling, J Hart, J Philip, W Pryor, A Watts and J M Whitehouse.

The Lead Officer was Derek Macnab, Deputy Chief Executive.

Terms of Reference

To review Best Value Performance Indicator (BVPI) and Local Performance Indicator (LPI) outturns for the previous year at the commencement of each municipal year, and to determine the following on an annual basis:

- (a) The criteria for deciding which BVPIs and LPIs should be formally monitored by the Panel throughout the remainder of the year, based upon the ‘traffic light’ system of performance reporting, Comprehensive Performance Assessment improvements, and existing council and member priorities;
- (b) A ‘basket’ of priority BVPIs and LPIs, performance against which will be reported to the Panel throughout the year;
- (c) The monitoring frequency of those priority BVPIs and LPIs identified by the Panel;
- (d) Arrangements for the wider member reporting and monitoring of performance against those BVPIs and LPIs that are not contained in the Panel’s ‘basket’ of high priority indicators;

To consider proposals and make recommendations for corrective action in relation to poorly performing BVPIs and LPIs;

To consider and make recommendations as appropriate on the format and content of the Council’s annual Best Value Performance Plan;

To undertake a full review of the existing Council Plan and to make recommendations to the Cabinet on the overall strategic vision to be adopted, within the context of how the authority intends to prioritise resources and develop services in the medium term;

To develop arrangements to directly engage the community in commenting on and shaping the future direction of services to make them more responsive to local

needs, including the development of proposals for effective consultation through an annual community conference;

To annually review the consultation exercise undertaken by the council over the previous year;

To consider draft budgets for each portfolio and in so doing to evaluate and rank proposals for either enhancing or reducing services. Members will need to ensure consistency between wider policy objectives and financial demands;

To consider financial monitoring reports on key areas of income and expenditure for each portfolio;

The Panel to consider feedback from the Customers Services Working Group to ensure that the Panel is kept up to date on current customer service activities across all service areas; and

To monitor and review progress on the implementation of all major ICT systems.

The Panel scrutinised a number of important issues over the last year, which included:

(i) The Key Performance Indicators for 2008/09 - The Panel noted that the new National Indicators (NI) set replaced all existing Best Value Performance Indicators (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. The Cabinet had 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.

The Panel looked at the proposed Key Performance Indicators for 2008/09. They noted that 12 of the indicators were contained within the Essex Local Area Agreement. There was now a suite of 30 indicators and the council was 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.

(ii) Capital Outturn 2007/08 And Use Of Transition Relief In 2008/09 – The Panel received a report that 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. There was some underspends experienced in 2007/08, which had been identified as savings, this was primarily on private sector housing grants.

(iii) Consultation Plan And Register 2008/09

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. Two major consultations were to take place during the year. One was the 'Big Youth Debate', which was taking place in conjunction with the Youth Council consulting teenagers from 13 to 19. The questionnaires was 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.

(iv) Use Of Resources Assessment 2007/08 - Corporate Value For Money Review

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 formed 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.

(v) Quarterly Financial Monitoring

The Panel also considered (on a quarterly basis) the quarterly Financial Monitoring report, keeping them up to date on the key areas of income and expenditure for each portfolio.

(vi) Value For Money Performance And Cost Analysis 2007/08

The Panel noted that the Council had improved its overall Use of Resources (UOR) performance to a score of 3 in 2007, but had only attained a score of 2 (Adequate Performance) for the Value For Money (VFM) element of the assessment. As a result, the Cabinet in 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 the Panel. This would be the second year that a working party sub-group has done this.

The sub-committee identified the following areas as requiring detailed scrutiny of the action being taken by the Executive to improve performance and said that it would like progress reports in 2009/10 on the performance of:

- (1) green waste collection;
- (2) responsive repairs and void properties; and
- (3) housing benefit and council tax.

The Sub-Committee also requested progress reports on data quality.

(vii) Council Plan 2006-2010 - Annual Performance Monitoring 2007/08

The Panel reviewed the Council Plan for 2006-2010 Annual Review. The 'Council Plan' 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.

(viii) Essex Local Area Agreement 2006-2008 And 2008-2011

The Panel noted that Essex County Council was the responsible authority for the Local Area Agreement (LAA) and had reported to the Essex Partnership Management Board in July 2008 outlining the overall progress against the first LAA for the county, which was in place from April 2006 until March 2008. Essex County

Council was also required to report on performance against the LAA to the Government Office for the East of England.

The Panel noted that the new LAA for 2008-2011, was formally agreed and adopted by Essex County Council in May 2008. As part of the LAA, Epping Forest Local Strategic Partnership (LSP) had received an allocation of £453,855 Performance Reward Grant (PRG) to be spent on suitable schemes during 2009/10 and 2010/11. A list of the various schemes proposed by the LSP and their cost were noted by the Panel.

(ix) Capital Programme 2008/09 to 2012/13

The Panel had requested to see the Council's Capital Programme in June 2008 with a commentary on the process through which the Capital Budget goes through before full Council adopts it in February of each year.

The Panel noted that the Capital Programme was a five-year document that set out the Capital Budget for the current financial year and the forecast for the following four years. The forecast for 2012/13 will go through a number of revisions before it would eventually get adopted. There was a different process to follow for the revenue budget.

(x) Fees And Charges 2009/10

The Panel considered the annual report on Fees and Charges as part of the budget setting process. The levels of fees and charges are considered for the forthcoming financial year. The Panel noted that the general premise was that fees and charges would be increased by 5% in line with the retail prices index. It was noted that the Land Charges searches income had suffered significantly due to an increase in personal searches, the introduction of Home Information packs and the effects of the credit crunch.

That with the exception of Car Parking charges which the Panel asked to be reviewed again by officers, the Panel considered and agreed the policy for increasing fees and charges for 2009/10.

(xi) Data Quality Strategy - Review

Members were advised that performance information was increasingly being used for the external assessment of the authority's performance and that the strategy set out a commitment to ensure arrangements for ensuring that the quality of key data met the highest standards.

It was noted that the Data Quality Assessment undertaken by the Council's external auditors was the first stage of an annual performance indicator audit. Although part of this assessment related to the quality of performance data, the audit also looked in detail at corporate data quality arrangements.

This was the first time that the Data Quality Strategy had been reviewed since its adoption in 2006. The review had been carried out not only to satisfy the recommendations of the Audit Commission following its data quality work in 2007/08, but also to identify opportunities for changes and improvements to the strategy in order to also address other data quality issues.

(xii) Detailed Budget Reports

The Panel received the draft detailed budgets for the General Fund and the Housing Revenue Account (HRA).

The Panel noted that the current year's estimates were prepared against the background of economic turmoil that had affected all local authorities. There had also been a poor settlement from the government for the support grant; this year was only 1%, next year 0.5% and the same for the year after.

There were still some items to come forward, so the draft budget was still very much a work in progress. The Council was looking to add about half a million pounds to the reserve. The Council's Policy was that it returned a general fund reserve of 25% of the total budget.

The draft detailed budget for the general fund and the HRA were considered, commented upon and noted by the Panel.

(xiii) Medium Term Financial Strategy

The Panel reviewed the medium term financial strategy for the period ending 2012/13. The Panel had requested at its last meeting to see the medium term financial strategy. The strategy itself was an important document that set the financial framework for the medium term with a view to managing future budgets and identifying necessary savings early so that these could be managed in a controlled way.

The report allowed a considered view to be taken of spending and resources. Without a medium term financial strategy finances would be managed on an annual basis leading to sudden expansion and contractions in services.

The strategy was updated annually and was originally considered in September 2008 with the financial issues paper that forms the start of the budget process.

xiv) Race Equality and Gender Equality

The Panel reviewed and endorsed the reports on the current position of the Council on their Race Equality Scheme and Gender Equality Scheme.