

### **3. FINANCE AND PERFORMANCE MANAGEMENT STANDING PANEL**

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

Councillor G Mohindra (Chairman)

Councillor R Cohen (Vice Chairman)

Councillors W Breare-Hall, Ms R Brookes, D Jacobs, D C Johnson, B Judd, J Philip, W Pryor, Mrs J Sutcliffe and Ms S Watson.

The Lead Officer was Derek Macnab, Deputy Chief Executive.

#### ***Terms of Reference***

##### Performance Management

1. To review statutory and local performance indicator outturns for the previous year at the commencement of each municipal year, and to determine the following on an annual basis:
  - (a) A basket of 'Key' Performance Indicators (KPIs) important to the Council's core business and corporate priorities; and
  - (b) The monitoring frequency of the KPIs identified by the Panel for the year;
2. To monitor performance against the adopted KPIs throughout the year; and to make recommendations for corrective action in relation to poorly performing indicators;

##### Corporate Plan

3. To undertake an annual review of performance against objectives, targets and actions contained in the Corporate Plan for 2010 to 2014;

##### Public Consultation

4. 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;
5. To annually review the consultation exercises undertaken by the council over the previous year.

##### Finance

6. To consider the 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.
7. To consider financial monitoring reports on key areas of income and expenditure for each portfolio.

#### ICT

8. To monitor and review progress on the implementation of all major ICT systems and to review of the Web-Casting System.

#### Value For Money

9. To consider the annual Value for Money Analysis, and to identify any areas where further detailed analysis may be required to be undertaken by a Task and Finish Panel during the year.

#### Essex Local Area Agreement

10. To monitor performance against the performance indicators contained within the second Essex Local Area Agreement, that the Council 'has regard to'; and to make recommendations for corrective action in relation to poorly performing indicators.

#### Equality and Diversity

11. To undertake an annual review of progress towards the implementation of the Council's Race Equality, Gender Equality, and Disability Equality Schemes, and performance in relation to other equality and diversity issues.

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

**(i) Council Plan** – They reviewed the Council Plan for 2006 to 2010 up to the end of 31 March 2010. The Council Plan now finished, was to be replaced by a new Corporate Plan to take it from 2010 to 2014 in conjunction with the development of a new Community Strategy for the district by the Epping Forest Local Strategic Partnership.

**(ii) 2009-2010 Outturn Reports** – The Panel also considered the Capital and Revenue outturn for the previous year (2009/10). They also considered the outturn report for the Key Performance Indicators (KPI) for last year when 58 KPIs were adopted and noted that this would come down to 49 in the 2010/11 year. They also noted the progress made on the Equality and Diversity legislation and the Council's approach with regards to the equality initiatives.

**(iii) Avoidable Contact** – The Panel received a report on the improvement plan on avoidable contact. They noted that the focus would be on telephone contact where the majority of avoidable contact lay. It was also anticipated that it could be addressed in a much broader range of services by gathering data from all channels of contact, face to face, correspondence, email and telephone.

**(iv) Key Performance Indicators** – Throughout the year the Panel reviewed the quarterly progress of the KPIs and reviewed the KPI improvement plan for each indicator, keeping an eye on any indicators that may not be on track for achieving its proposed target.

**(v) Sickness Absence** - At each quarter the Panel considered the latest absence figures for the year and the improvement plan for bringing down the level of long term sickness.

**(vi) 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.

**(vii) Fees and Charges** - The Panel considered the proposals for the Councils Fees and Charges as part of the Budget setting process. They noted that under the Comprehensive Spending Review that councils faced significant cuts in government support and there would be less freedom for authorities wishing to raise additional revenue from fees and charges as more were subject to cost recovery only on Government direction. Against this it was felt that fees and charges should be increased by 5% where possible.

**(viii) ICT Update** – The Panel received an update on the Council ICT Systems and the recent UK Society of Information Technology Management benchmarking exercise undertaken for the Council. EFDC came out quite well against other authorities but were found to be deficient in the number of passwords resets, now rectified by a self service password reset system and the old telephony system was highlighted as being expensive. A project to replace this and improve performance and cost is to be included within the next ICT Business Plan. They were also looking at replacing the email system with 'Outlook', migrating servers to virtual servers, investigating mobile working and looking at a Wide Area Network upgrade.

### ***Case Study – National Indicator Set – Abolition and Review***

The Secretary of State for Communities and Local Government had recently written to the Leaders and Chief Executives of all local authorities, setting out changes to existing performance arrangements. The new arrangements detailed by the Secretary of State provided for the replacement of the existing National Indicator Set with a single list of data required to be provided to the Government by local authorities, although it was unclear whether the National Indicator Set had ceased immediately, or whether it remained in place until the end of 2010/11.

It was considered appropriate for the Council to continue to monitor and internally report performance against each of the National Indicators that formed part of its adopted set of Key Performance Indicators (KPI) until the end of 2010/11, even if not formally required to do so for the purpose of submitting performance returns to the Government. A number of the existing National Indicators were used as performance measures for the Council's Key Objectives for 2010/11, and therefore clearly needed to be retained until at least the end of the year. This approach had been supported by the Finance and Performance Management Cabinet Committee.

Since the changes to existing performance arrangements were announced by the Secretary of State, a review of the existing KPI set had been undertaken to identify any National Indicators that could be deleted as KPIs for 2011/12, on the grounds that data collection was resource intensive or over burdensome, or where issues of limited value and validity had arisen in respect of data previously collected. As part of this review process, Service Directors highlighted ongoing and future activities in the areas where KPIs could be deleted, in order to ensure that the Council maintained appropriate focus on key areas in the absence of corporate assessment or centralised performance reporting arrangements. This exercise has resulted in proposals for some National Indicators to be carried forward into 2011/12 as Local Performance Indicators.