

3. FINANCE AND PERFORMANCE MANAGEMENT STANDING PANEL

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

Councillor A Lion (Chairman)

Councillor S Watson (Vice Chairman)

Councillors G Chambers, T Church, C Finn, R Gadsby, J Hart, D Jacobs, H Kane, H Mann and G Mohindra.

The Lead Officer was Derek Macnab, Deputy Chief Executive.

Terms of Reference

Performance Management

1. To review Key Performance Indicator (KPI) outturn results for the previous year, at the commencement of each municipal year;
2. To identify on an annual basis, subject to the concurrence of the Finance and Performance Management Cabinet Committee:
 - (a) a basket of KPIs important to the improvement of the Council's services and the achievement of its key objectives; and
 - (b) the performance targets and monitoring frequency of the KPIs for each year;
3. To review performance against the adopted KPIs on a quarterly basis throughout each year, and to make recommendations for corrective action in relation to areas of slippage or under performance;

Public Consultation and Engagement

4. To develop arrangements as required, for the Council to directly engage local communities in shaping the future direction of its services, to ensure that they are responsive to local need;
5. To annually review details of the consultation and engagement exercises undertaken by the Council over the previous year;

Finance

6. To consider the draft portfolio budgets for each year, and to evaluate and rank proposals for enhancing or reducing services where necessary, whilst ensuring consistency between policy objectives and financial demands;
7. To review key areas of income and expenditure for each portfolio on a quarterly basis throughout the year;

Information and Communications Technology

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

Value For Money

9. To consider a regular analysis of the Council's comparative value for money 'performance', and to recommend as required to the Finance and Performance Management Cabinet Committee, in respect of areas where further detailed investigation may be required; and

Equality

10. To annually review the achievement of the Council's equality objectives for 2012/13 to 2015/16, and progress in relation to other equality issues and initiatives.

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

(i) **Key Performance Indicators – Performance Outturn 2011/12** – The Panel received an outturn report on the Council's outturn performance for 2011/12 in relation to the Key Performance Indicators (KPI) adopted for the year. The Panel noted that 66.6% of the performance targets had been achieved for 2011/12; the target was 70%. Detailed outturn (1 April 2011 to 31 March 2012) performance reports in respect of each of the KPIs for 2011/12 were attached to the report for information.

The Panel noted that it had been previously agreed that no further changes would be made to the KPIs for 2012/13. Members were advised that following the adoption of the Council's equality objectives for 2012/13 to 2015/16, it was planned that equality progress would in future be monitored and reported in line with the achievement of the objectives.

(ii) **Equality and Diversity – Progress Report 2011/13** - The Performance Improvement Manager, Mr S Tautz, introduced a report on the Council's progress in relation to a range of equality requirements and initiatives during 2011/12.

Members noted that the introduction of the Equality Act 2010 had placed a general duty on the Council to consider a range of people characteristics when planning and delivering services. The characteristics are referred to as 'protected characteristics' and are:

- Age;
- Civil Partnership;
- Disability;
- Faith or belief;
- Gender;
- Gender reassignment;
- Pregnancy and maternity;
- Race; and
- Sexual orientation.

In March 2011, the Cabinet agreed an Equality Scheme for the four years from 2012/13 to 2015/16, which set out the Council's responsibilities under the Equality Act together with its equality plans and information.

The Equality Objectives had been the subject of public consultation in January 2012 and would form the focus of the Council's equality related work for the next four years when a new set of equality objectives are required to be set. The Equality Objectives were:

- (a) To develop existing customer and employee intelligence gathering systems and the use of the intelligence gathered in service planning;
- (b) To ensure ownership of equality by those in a position to shape services e.g. Members and Managers;
- (c) To develop engagement across all the protected equality groups; and
- (d) To ensure a culture, systems and working practices which allow for the development of a senior management profile representative of the Council workforce as a whole.

In January 2012, the Council produced and published on its website, an Equality Information Report providing an illustration of what the Council has achieved in recent years, including projects, activities and achievements across all of its service areas. This report was to be updated annually from January 2013. During the last year, the Council had undertaken a range of engagement opportunities to increase awareness of equality issues, and to inform the development of the equality objectives.

(iii) Consultation Plan 2012/13 and Register 2011/12 – The Panel noted the report on the Consultation Plan 2012/13 and Register 2011/12.

The Panel noted that the duty to involve was repealed by the Coalition Government in 2011. This duty provided that local authorities sought to ensure local people had greater opportunities to influence decision making and provided for consultation and involvement of representatives of local people across all council functions. In its stead, the Government introduced minimal, light touch Best Value statutory guidance.

It was noted that in order to meet the general duty and traditionally to follow best practice, every year a list of all consultation planned and carried out by the Council was published on the website and brought to the attention of this Scrutiny Panel.

All consultation and engagement exercises undertaken by and on behalf of the Council were required to comply with the provisions of the Council's Public Consultation and Engagement Strategy.

The Panel noted the Consultation Plan for 2012/13 and that a list of planned consultation exercises was also available on the Council's website.

(iv) Sickness Absences - The Panel noted that the Council had met their target for last year; the target was 7.75 days per employee and the actual figure achieved was 7.58. This target has now been reduced to 7.5 days for this year.

The Panel commented that 65.8% of staff had had no sick absence at all in the last 12 months and that this was worthy of notice.

(v) Provisional Capital Outturn 2011/12 – The Panel received the report on Provisional Capital Outturn 2011/12 in terms of expenditure and financing and comparing the provisional outturn figures with the revised estimates.

The Panel noted that the overall position in 2011/12 was that a total of £9,563,000 was spent on capital schemes, compared to a revised estimate of £12,329,000. This represents an underspend of £2,766,000 or 22% of the Council's revised capital budget. Expenditure on General Fund projects totalled £3,943,000, which was £1,360,000 or 26% less than anticipated, and expenditure on the Housing Revenue Account (HRA) totalled £5,620,000, which was £1,406,000 or 20% less than anticipated.

Members were also requested to retrospectively approve the brought forwards of £45,000 and £103,000 on the General Fund and HRA respectively. These were retrospective because they could only be identified after the event.

(vi) Analysis of the Audit Commission's Value for Money Profiles – The Panel received a report analysing Value for Money as a one-stop point of reference for much of the data contained in the 2010/11 version of the Audit Commission's Value for Money Profile Tool. Its primary purpose thereafter is to allow officers and members to identify any Value For Money (VFM) indicators or issues which they consider appropriate for further in-depth consideration and review. Despite a number of concerns around the comparability of all the data it was a useful pointer as to how the Council compares with its geographical and statistical neighbours and allows the Council to focus its value for money work on particular areas of concern. The report contained a mass of figures broken down into various sections, to enable members to identify appropriate VFM issues, enabling them to see how they compare to the national picture, to identify councils facing similar challenges and to learn from the approach of other councils.

They commented that there had been a number of years of not comparing like with like, what was needed were better and more comparisons and noted that the 'family group' contained two unitary authorities, not really comparable to us.

The Panel was complementary of EFDC's spend on homelessness, being the third lowest in Essex. They noted that it was down to the low usage of Bed and Breakfast places, with most of the clients being put up in Norway House; and partly down to the good work of the Council's homeless prevention service.

(vii) Key Performance Indicators 2012/13 – Quarter Performance Monitoring - As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's services and key objectives are adopted each year. Performance against the majority of KPIs is monitored on a quarterly basis, and has previously been an inspection theme in external judgements of the overall performance of the authority. As always the Panel monitored the KPI's on a quarterly basis throughout the year.

(viii) Quarterly Financial Monitoring Report - The Principal Accountant, introduced the quarterly financial monitoring figures. This provided a comparison of the original estimate for the period ended 30 June 2012 and the actual expenditure or income as applicable. Generally speaking the emerging pattern was in line with expectations. It was noted that:

- The Housing Repairs Fund showed an underspend of £442,000; but things could change and it was being constantly monitored;

- The salary underspend for quarter 1 was due mainly to vacancies;
- Income was mostly on target; however, there were fewer major building works at present so there was less income there;
- Investment interest levels in 2012/13 were slightly below expectations at quarter 1, and significantly below the prior year;
- Development Control income at Month 3 was £13,000 below expectations;
- Building Control income was also down, but by £18,000 as activity in the building industry was at a low level;
- Licensing income was in line with expectations;
- Income from MOT's was below expectations. There were some difficulties whilst a new ramp was installed; and
- Capital Accounts were on target overall, but the trend would be very variable over the year.

(ix) Value for Money and Data Quality Strategies – 2012-13 – Progress Report - It was noted that the Council was required to make arrangements to secure continuous improvement in the way its functions and services were exercised, having regard to a combination of economy, efficiency and effectiveness (Value for Money). Most of the actions in the plans were weighted towards the first year. The Value for Money Strategy set out the Council's overall approach to ensuring the provision of value for money services. The Data Quality Strategy set out the Council's management arrangements to secure the quality of the data used to manage its functions and services.

The Panel noted that both strategies needed to be reviewed and updated soon. There was still the problem that they could not compare like with like; what was VFM in a local council context; what or who, do we compare ourselves with. But they noted that these strategies did give a general direction of travel allowing the Council to see where they were going.

(x) Fees and Charges 2013/14 – In November 2012 they were taken through the Fees and Charges Report for 2013/14. There were a number of areas where the Council had discretion on the level of fees and charges that it set. It was noted that any general increase would be based on the September Retail Prices Index increase of 2.6%.

It was noted that:

- Although the Council has held fees where they could and put up others by the minimum they could, they still had to identify £250k of savings for next year;
- Development Control fee levels were controlled by Central Government who have announced that an increase of 15% was proposed in recognition of the inflation experienced since 2008 when fees were last increased. It was not clear when this charge would be implemented;
- It was proposed that licensing fees for Hackney Carriages and Vehicle Licences be frozen at current levels;
- Some forms of licensing fees are proscribed by the 2003 Licensing Act while others are under the Council's discretion and these would be increased where appropriate; and
- Although the Council did not pick up trade waste they had to set a fee just in case, and this had been negotiated in conjunction with SITA.

(xi) At their March 2013 meeting the Panel set up a sub-panel of three members to look at the re-charging policy and mechanics and to report back so that it could be included in their next year work programme.

Case Study – Consultation Plan 2012/13 and Register 2011/12

The Panel received a report on the Council's progress in relation to a range of equality requirements and initiatives during 2011/12.

Members noted that the introduction of the Equality Act 2010 had placed a general duty on the Council to consider a range of people characteristics when planning and delivering services. The characteristics are referred to as 'protected characteristics' and are:

- Age;
- Civil Partnership;
- Disability;
- Faith or belief;
- Gender;
- Gender reassignment;
- Pregnancy and maternity;
- Race; and
- Sexual orientation.

The Council's general duty, also known as the Public Sector Equality Duty, requires 'due regard' to be taken when exercising Council functions. 'Due regard' means consciously thinking about the need to do the things set out in the general equality duty as an integral part of the provision of services.

Officers were developing an action plan for the achievement of these objectives. However, there were difficulties in interpreting what was wanted by government.

To help the Council, the Corporate Equality Working Group was established in May 2009, to provide input and support to develop and implement the Council's approach to equality. A review of the operation of the Working Group was undertaken in January 2011, in light of almost two years experience, and a number of matters have been taken forward to focus the work of the Working Group, including the development of an annual work programme.

In March 2011, the Cabinet agreed an Equality Scheme for the four years from 2012/13 to 2015/16, which set out the Council's responsibilities under the Equality Act together with its equality plans and information.

The Equality Scheme included a set of Equality Objectives selected to help the Council meet one or more aims of the general duty and help bring about positive improvements to the Council's service design and delivery. The Equality Objectives had been the subject of public consultation in January 2012 and formed the focus of the Council's equality related work for the next four years when a new set of equality objectives were required to be set. The Equality Objectives were:

- (e) To develop existing customer and employee intelligence gathering systems and the use of the intelligence gathered in service planning;
- (f) To ensure ownership of equality by those in a position to shape services e.g. Members and Managers;
- (g) To develop engagement across all the protected equality groups; and

- (h) To ensure a culture, systems and working practices which allow for the development of a senior management profile representative of the Council workforce as a whole.

An action plan for the achievement of the equality objectives was currently being developed by the Corporate Equality Working Group.

The Public Sector Equality Duty also required the Council to publish information to show how it was complying with its equality duties and the progress it has made with its equality work. In January 2012, the Council produced and published on its website, an Equality Information Report providing an illustration of what the Council has achieved in recent years, including projects, activities and achievements across all of its service areas. This report was to be updated annually from January 2013.