

EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF FINANCE AND PERFORMANCE MANAGEMENT SCRUTINY
PANEL
HELD ON WEDNESDAY, 16 JULY 2014
IN COUNCIL CHAMBER, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.00 - 7.40 PM

- Members Present:** T Church (Chairman), A Mitchell MBE (Vice-Chairman), K Angold-Stephens, D Dorrell, A Lion (Technology and Support Services Portfolio Holder), H Ulkun, G Waller (Safer, Greener and Transport Portfolio Holder), Mrs E Webster (Vice Chairman of Council) and J M Whitehouse
- Other members present:** J Philip and Ms S Stavrou
- Apologies for Absence:** J Knapman, H Mann, G Mohindra and Ms S Watson
- Officers Present** D Macnab (Director of Neighbourhoods), S Tautz (Performance Improvement Manager), P Maginnis (Assistant Director Human Resources), S Alford (Principal Accountant), R Wilson (Assistant Director (Housing Operations)), V Loftis (Market Research Consultation Officer) and A Hendry (Democratic Services Officer)

1. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The Panel noted that Councillor A Lion was substituting for Councillor G Mohindra and Councillor G Waller was substituting for Councillor S Watson.

2. DECLARATION OF INTERESTS

No declarations of interest were made.

3. MINUTES OF THE LAST MEETING

The minutes of the previous meeting held on 11 March 2014 were agreed.

4. KEY PERFORMANCE INDICATORS 2013/14 - OUTTURN

The Performance Improvement Manager, Mr S Tautz, introduced the outturn report for the key performance indicators adopted by the Council for 2013/14. The meeting noted that a range of thirty five Key Performance Indicators had been adopted by the Finance and Performance Management Cabinet Committee in March 2013. Quarterly progress reports in respect of all the KPIs were reviewed by Management Board and the Scrutiny Panel and also by the service directors and the relevant Portfolio Holders on an on going basis throughout the year. Improvement plans were produced for all the KPIs each year, setting out specific actions to achieve target performance or outcomes.

The position in regard to the KPIs for the end of the year was as follows:

- a) 28 (80%) indicators achieved the cumulative target; and
- b) 7 (20%) indicators did not achieve the cumulative target, although 2 of these indicators performed within the agreed tolerance for that indicator.

Members were reminded that as part of the Overview and Scrutiny Review undertaken in 2013/14, changes had been made to the existing arrangements for the quarterly review of KPI performance.

From the first quarter of the year, four of the existing Scrutiny Panels (Finance and Performance Management, Housing, Planning, and Safer Cleaner and Greener) will each will be responsible for the review of quarterly performance against relevant KPIs, rather than all indicators being considered by the Finance and Performance Management Scrutiny Panel as at present.

Councillor Webster commented that this was a good, interesting report and that it was an excellent idea that the relevant KPIs should in future go to the corresponding Scrutiny Panels.

Councillor Angold-Stephens noted that performance against KPI04 (*what % of visitors to the Council website were satisfied with their experience*), had reduced for the final quarter of the year, why was that? Mr Tautz replied that this was looking at the users experience but he would find out why performance had declined towards year-end and let the Councillor know.

Councillor Lion noted that this KPI was measuring external satisfaction but was concerned about member's satisfaction of the website. Was it possible to get a better understanding of the member's satisfaction by splitting it out from the public's figures? The Director of Neighbourhoods, Mr Macnab, noted that the ICT section had re-run the training session for members and had held a drop-in session for members just on use of the website.

Councillor Jon Whitehouse commented on KPI20 (*how much non-recycled waste was collected for every household in the district*) and KPI21 (*what % of all household waste was sent to be recycled, reused or composted*). When would we be expected to see changes with the new contractor taking over? Mr Macnab replied that Biffa Waste Services had produced a statement on intent on this and were looking towards the latter half of next year to see any improvements coming through. He noted that BIFFA had committed to deliver recycling sacks and because of this he was hoping to improvements to KPI21. He would keep members advised on any progress.

RESOLVED:

- 1) That the outturn performance in relation to the key performance indicators for 2013/14 be noted;
- 2) That the high level of performance achieved against the KPIs be welcomed; and
- 3) That the new reporting arrangements for the quarterly review of KPI performance for 2014/15 and future years be noted.

5. SICKNESS ABSENCES

The Assistant Director (Human Resources), Paula Maginnis, introduced the sickness absence report for quarters 3 and 4 for 2013/14. The Panel noted that the Council's target for sickness absence under KPI10 for 2013/14 was an average of 7.25 days per employee. The Council outturn figure for Q3 (2013/14) was 1.78 days against a target of 1.89 days and Q4 (2013/14) was 2.18 days against a target of 1.85. The overall outturn figure of 7.01 days was below the target of 7.25 days for the year.

During Q3, 3.7% of staff met the trigger levels or above, 30.5% had sickness absence but did not meet the triggers and 65.8% had no absence. During Q4, 5.8% of staff met the trigger levels or above, 28.4% had sickness absence but did not meet the trigger levels and 65.8% had no absence.

Councillor Lion noted that this was an excellent report and thanked Ms Maginnis and her staff on producing it. He also thanked Council staff for the continued improvement.

The Panel noted that the figures could be skewed by only one or two members of staff being on long term sick. The Panel requested that the number of staff indicating each of the reasons for sickness was shown in the table to provide context. Ms Maginnis agreed to do this for the next report.

RESOLVED:

That the report on sickness absences was noted.

6. CONSULTATION AND ENGAGEMENT REPORT

The Consultation Officer, Valerie Loftis introduced the annual report on the public consultations carried out during 2013/14. The report set out a list summarising the main consultation exercises carried out in 2013 to 2014, and some exercises planned for 2014 to the end of March 2015.

Every year a list of consultation planned and carried out by the Council was published on the website and brought to the attention of this Panel.

The Consultation Register is a list of the most recent exercises, which have been carried out on behalf of the Council or by the Council in the last financial year.

Some exercises were in part or as a whole about monitoring the housing tenancy profile.

For example:

- The Preliminary Notice – Variation of the Terms of Secure Tenancy; and
- The Tenant Census

The Tenant Census was a profile exercise of council tenants e.g., age, gender, household makeup, disabilities, IT access rather than a piece of consultation.

Some new policies and initiatives had been consulted on such as the Introduction to Annual Site Licence Fees for Permanent Residential Park Homes; and the HealthWorks Survey (Healthworks was a health improvement and well-being project

for young people aged 11 to 19, and encourages them to adopt healthier lifestyles, providing a range of activities, workshops and courses).

The Panel noted that the Council undertook 6 statutory surveys and had planned a further 2 so far this year. It also carried out 4 discretionary surveys.

Costs were being kept low by using resources in-house and using online technology.

Three statutory surveys made up the bulk of the costs involved in public engagement which totals £111,000, the 'Local Plan Preferred Options' consultation planned for December, involved the highest costs mentioned in the report of £90k.

The Preliminary Notice of Variation of the Terms of Secure Tenancy costs were £15,000 and the Car Parking Review was £6,000 which used Alpha Parking Consultants for canvassing car parks.

Judgement on whether or not to include a consultation on the register should be relative to the impact and local sensitivity of the subject. For example if the changes being proposed are likely to be either:

- contentious,
- an expensive project,
- a possible cause for complaint,
- effect a lot of people,
- controversial;
- or a possible nuisance to residents

then they are included on the register, however small they are.

More emphasis has been given to data protection in consultation. It was paramount that personal and sensitive information was only used for the purpose or purposes for which they were processed and was then disposed of securely. Further monitoring would be carried out to ensure this was happening.

Online consultation was steadily becoming more advanced and the Council was starting to use WebHost, which was Cloud technology and gave more control and faster recovery of data and analysis.

Further use of Social Media for consultation purposes was being researched to see if the feedback or publicity aspects were a useful source of public engagement and or feedback.

The Director of Neighbourhoods informed the meeting that the Local Plan Preferred Options consultation was to take place in December this year, but this was now revised to mid-May to June next year, putting it in the new financial year.

Councillor Jon Whitehouse asked about the Parking Review Survey, he thought that the on line survey questions were on a narrower line than the ones in the Cabinet report. What was the thinking behind this? Also were the face to face questions asked separate from the on-line survey? Mrs Loftis was unsure if that was the case and said she would investigate and get back to him. Mr Macnab noted that this survey built on previous ones and thought that it reflected the Cabinet Committee's questions. It should be noted that this survey was also being conducted on the business community and not just the shoppers and the commuters. He thought that the face to face survey was the same as that used on-line.

Councillor Jon Whitehouse noted that the survey was not on the consultation portal of the Council's website, although it did have its own page. He also wanted to know if the Local Plan Consultation gave enough time. Mr Macnab said that although it would now start mid-May to June next year, the length of time it would take had not been altered.

Councillor Dorrell asked what were the drivers behind the costs of the surveys. Mrs Loftis said that the estimated cost was based on the previous surveys and that she could get a break down of these costs for him if he wished.

RESOLVED:

That the consultation Plan/Register for 2014/15 and those consultations exercises completed during 2013/14, be noted.

7. PROVISIONAL CAPITAL OUTTURN REPORT 2013/14

The Principal Accountant, Simon Alford, introduced the Provisional Capital Outturn report for 2013/14. This report set out the Council's capital programme for 2013/14, in terms of expenditure and financing, and compared the provisional outturn figures with the revised estimates. The revised estimates, which were based on the Capital Programme, represented those adopted by the Council in February 2014.

The Council's total investment on capital schemes in 2013/14 was £13,006,000, compared to a revised estimate of £15,610,000. The largest underspends were experienced on General Fund projects, virtually all of which were underspent.

In particular the purchase of two long leasehold interests in Bridgeman House, Sun Street, Waltham Abbey was delayed and did not take place before 31 March 2014. One lease related to the first floor of Bridgeman House to provide an extension to the museum, for which Heritage Lottery funding had been secured. The other lease was for the second floor of Bridgeman House consisting of offices, which would provide an investment for the Council as well as rental income. Purchase of the second floor would also prevent the existing offices being converted into residential flats, which would present problems of security and increased risks such as flooding. The purchase of the leasehold interest in the first floor for the museum had now taken place and negotiations were in hand with regard to the second floor; a carry forward of £1,304,000 was therefore requested to cover the purchases in 2014/15.

There was also a significant underspent of £196,000 on the planned maintenance programme within the Resources Directorate. However, the planned maintenance programme is on-going and the outstanding works will be completed during 2014/15; it was therefore recommended that this budget be carried forward in full.

Expenditure on the Information and Communication Technology (ICT) Programme was £362,000 last year compared to a revised budget of £467,000. The majority of this underspend related to the upgrade of the new telephony system. Although the system was operational in some areas of the Council last financial year, it had not been fully rolled out by 31 March 2014. Most of the works has now been completed and the system was expected to be fully functional by August 2014. Most other ICT schemes were completed in 2013/14 and were within budget. It was recommended that the underspend be carried forward to 2014/15.

Within the Governance Directorate, the budget for new developments was underspent by £173,000. The majority of this underspend related to the Langston Road redevelopment project. This site had been earmarked for joint development by the Council and Polofind Ltd into a retail park and a sum of £150,000 was set aside to cover the Council's contribution towards the cost of a contamination survey and planning application. It was anticipated that the survey and planning application would go ahead in the next few months and a carry forward of the full sum was requested.

It was noted that the largest underspend within the Neighbourhoods Directorate was on the Council's parking schemes. Expenditure was lower than anticipated due to delays on the Buckhurst Hill parking review. This scheme is still in the design and consultation stage and the works were expected to commence in 2014/15. It was recommended that the full underspend was carried forward until the Buckhurst Hill and Loughton reviews were completed.

There were however two projects with budget overspends. Firstly, there was an overspend of £39,000 on the Waltham Abbey all weather pitch due to problems with the installation of the floodlights; this represented a 7% overspend on the original budget of £527,000. The work was completed at the end of March 2014 and the pitch is now open for use. Secondly, additional costs had been identified on the purchase of the lease relating to Torrington Drive due to higher than expected agency fees. In both cases, Members were requested to retrospectively approve additional funding of £39,000 for the Waltham Abbey all weather pitch, pending a report to Cabinet, and £20,000 for the Torrington Drive lease. Carry forward of unspent budgets were also requested in respect of all other projects, pending a thorough review of the Capital Programme when it was updated towards the end of 2014.

With regard to capital expenditure on the Council's HRA assets, a total of £10,683,000 was invested compared to a revised estimate of £11,030,000; this represented a 3% underspend.

RESOLVED:

- (1) That the Panel noted the provisional outturn report for 2013/14;
- (2) That retrospective approval for the over and underspends in 2013/14 on certain capital schemes as identified in the report be recommended to Cabinet;
- (3) That approval for the carry forward of unspent capital estimates into 2014/15 relating to schemes on which slippage had occurred be recommended to Cabinet; and
- (4) That retrospective approval for changes to the funding of the capital programme in 2013/14 be recommended to Cabinet.

8. PROVISIONAL REVENUE OUTTURN REPORT 2013/14

The Principal Accountant, Simon Alford, introduced the provisional Revenue Outturn report for 2013/14. This provided an overall summary of the revenue outturn for the financial year.

The Panel noted that the net expenditure of the Continuing Services Budget (CSB) for 2013/14 totalled £14.219 million, which was £149,000 (1.0%) below the original estimate and £265,000 (1.9%) below the revised. When compared to a gross expenditure budget of approximately £75 million, the variances can be restated as 0.2% and 0.35% respectively.

There were also improvements in the funding position as this showed an increase of £286,000, however this was not the full story as movements between the Collection Fund (where Council Tax and Business Rates are accounted for) and the General Fund are governed by specific regulations.

It was noted that the Councils portion of the Business Rates collection fund deficit at the end of March 2014 was some £394,000 which would need to be paid back over the next two years, thus adversely affecting the future funding available to the General fund.

CSB expenditure was £149,000 below the original estimate and £265,000 lower than the revised. Variances had arisen on both the opening CSB and the in year figures. The opening CSB was £375,000 lower than the revised estimate and the in year figures, £110,000 higher than the revised estimate.

There was however, one significant CSB saving when compared to the revised estimate, this being an underspend of £213,000 on Housing Benefits due in part to adjustments relating to past years and the identification of overpayments. The Gross Expenditure on Benefits was £38m so even a small percentage variance, (in this case a little over half of one per cent), produced quite large figures in terms of under or overspend. Having said that, an additional amount had been put into the Bad and Doubtful debts provision to provide against a proportion of these debts becoming uncollectable.

Net District Development Fund (DDF) expenditure was expected to be £984,000 in the original estimate and £671,000 in the revised estimate. In the event the DDF showed net income of £431,000. This was £1,415,000 below the original and £1,102,000 below the revised. There were requests for carry forwards totalling £682,000 and these were detailed in Appendix D of the report.

As spending was £1,102,000 below the revised estimate but carry forwards of £682,000 had been requested, a net underspend of £420,000 was shown.

A Surplus within the Housing Revenue Account (HRA) of £128,000 and £107,000 was expected within its original and revised revenue budgets respectively, the actual outturn was a deficit of £593,000.

It was noted that when HRA Self Financing was introduced it became clear that more money would be available for service improvements and enhancements. Each year an amount was allocated for service enhancement based on the likely funding available. There was an underspend on the programme last year and therefore £112,000 was requested for carry forward into 2014/15.

RESOLVED:

- (1) That the Panel noted the provisional 2013/14 revenue outturn for the General Fund and Housing Revenue Account (HRA);

- (2) That as detailed in Appendix D of the report, the carry forward of £682,000 District Development Fund expenditure be noted ; and
- (3) That the carry forward of £112,000 HRA Service Enhancement Fund expenditure also be noted.

9. TERMS OF REFERENCE / WORK PROGRAMME

Terms of Reference

The Panel considered their terms of reference noting that item 3 of the terms of reference needed updating to indicate their new responsibility in scrutinising future KPIs as proposed by the Overview and Scrutiny Review Task and Finish Panel.

Work Programme

The Panel noted that the report on the Council's switchboard and telephony system asked for at their last meeting (minute 43) was not on the agenda. Mr Tautz said he would ensure it came to a future panel meeting.

10. 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 reports considered at this meeting, especially how pleased the members were with the sickness record of the council, and to revise the Panel's Terms of Reference.