

**EPPING FOREST DISTRICT COUNCIL  
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE  
HELD ON TUESDAY, 19 DECEMBER 2017  
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING  
AT 7.30 - 8.51 PM**

**Members Present:** A Patel (Chairman), D Sunger (Vice-Chairman), R Bassett (Vice Chairman of the Council), N Bedford, D Dorrell, J Jennings, P Keska, J Lea, A Mitchell, P Stalker and J M Whitehouse

**Other members present:**

**Apologies for Absence:** R Gadsby, C Roberts and D Roberts

**Officers Present** P Maddock (Assistant Director (Accountancy)), P Maginnis (Assistant Director (Human Resources)) and A Hendry (Senior Democratic Services Officer)

**29. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

It was noted that there were no substitute members for this meeting.

**30. NOTES OF PREVIOUS MEETING**

**Minutes**

The notes of the meeting held on 17 October 2017 were agreed.

**Matters Arising**

Mr Maddock updated the meeting on minute item 26 on revising charges for bulk waste. He noted that most flytipping was of a commercial nature, rather than domestic and the raise in charges would not do anything to mitigate this.

Councillor Patel asked about minute item 21 and business rates. Mr Maddock noted that an item on business rate appeals would be going to the April meeting of this Committee when there will be more useful information.

**31. DECLARATIONS OF INTEREST**

There were no declarations of interest made pursuant to the Members Code of Conduct.

**32. TERMS OF REFERENCE AND WORK PROGRAMME**

**Terms of Reference**

The Committee noted their terms of reference and that the wording for the Transformation Programme would be updated to reflect the latest position after the Task and Finish Panel recommendations had been made.

**Work Programme**

**Item 7 – Progress on Call handling** – Councillor Patel noted that a similar topic would also be going to Overview and Scrutiny Committee and that there may be some duplication. Officers would investigate and report back.

**Item 16 – Shared Services Working** – Ms Maginnis updated the meeting on this topic. She noted that the three authorities; Colchester, Braintree and Epping Forest Councils had jointly purchased an HR system and was looking at sharing a payroll system.

Councillor Keska asked if this system would be based at any one council or would it be run by an outside body? He was told that it would be a shared service with shared staff working as one team. Work would be done electronically and officers would not have to be in the same location.

Councillor Keska asked if other authorities could join us. He was told that they could do so once there was a base system set up.

Councillor Bedford noted that officers need not be in the same building but could use video conferencing facilities for their meetings. Ms Maginnis agreed that the new 'Office 365' system had this facility built in.

Councillor Lea asked if councillors expense claims would be going on line. She was told that was a distinct possibility and was being considered.

Councillor Sunger said that with the new GDPR coming in May 2018, he wondered if we would be compliant. He was told that officers were being trained on this and would be taking it into consideration.

Councillor Patel asked why we had joined up with these two authorities. He was told that the three authorities had come to the end of their respective systems at roughly the same time and had decided that because of economies of scale they should develop a joint system that would enable them to work together.

**Item 17 – Invest to save update** - Mr Maddock noted that the invest to save fund had only £34k of the fund unallocated.

Councillor Bassett noted that there was to be a budget meeting of the Finance and Performance Management Cabinet Committee on 18 January 2018. Councillor Patel added that this would be a joint meeting between this Committee and the Cabinet Finance Committee. He said that a short session on the workings of the budget would be offered to the members of this Committee before this meeting, probably on the 15<sup>th</sup> or 16<sup>th</sup> January. Members would be informed nearer the time.

### **33. CHANGE IN ORDER OF THE AGENDA**

With the Committee's agreement the Chairman said that item 10 on the agenda – Sickness Absence - be taken next.

### **34. SICKNESS ABSENCE**

The Assistant Director Human Resources, Ms P Maginnis, introduced her report on the Council's absence figures for Quarters 1 and 2 for 2017-18. She noted that the Council's target for sickness absence under RES001 for 2017/2018 was an average of 7.25 days per employee. The current outturn figure for the two quarters was an average of 3.39 days, which was slightly above the target of 3.22 days.

During Q1, 4.3 % of employees met the trigger levels or above, 27.9% had sickness absence but did not meet the triggers and 67.8% had no absence. During Q2, 5.2% of employees met the trigger levels or above, 27% had sickness absence but did not meet the trigger levels and 67.8% had no absence.

There has been a slight increase in the number of long term absence from Q4 of last year to Q1 of this. However, there had been a significant rise in long term cases in Q2, the highest it has been in this 5 year period. The rise has been mainly in mental health issues and cancer cases. For mental health issues we have the help of an occupational health service called 'Mindful Employer' that can be directly contacted by staff members. Line managers have also been trained to give help and support. However, they could not really legislate for cases of cancer.

As a summary, compared to Q1 and Q2 of 2016/2017 there has been an;

- Increase in mental health reasons of 28%
- Increase of back problems of 41%
- Increase in other musculoskeletal of 22%
- Increase of incidents of cancer of 100%

Councillor Bedford asked how many staff had taken up the 'Mindful Employer' option. Ms Maginnis said that they did not follow it up as it was a confidential service. Councillor Bedford then asked if only the long term sick had access to this service. He was told that they were also referred to the Harlow Occupational Health service. Councillor Bedford postulated that it would be good for HR to send a letter reminding the staff that they can use the services of this organisation (Mindful Employer).

Councillor Stalker asked if these were the same people who had a reoccurrence or were they different people every time. Ms Maginnis said that they tended to be different with various reasons. Councillor Stalker said that it would be useful to look at what triggered the illnesses. Councillor Patel said it would also be useful to look at the grade of the staff.

Councillor Mitchell was concerned about staff with back problems and suggested that the Council contacted a specialist seating company. Her company had used Parker Knoll in the past and they proved to be successful. Ms Maginnis said that the Council was using that very company. They also carried out workplace assessments for affected staff and had various chairs that they could try out to help with their posture. They also had relevant training for all manual workers.

Councillor Bassett noted that the NHS were notoriously slow in dealing with mental health issues, how did the council get around this. Ms Maginnis replied that they referred staff straight to the Harlow Occupation Health Service and arranged sessions with them as soon as possible. We are proactive on this as they knew that the NHS was not as responsive as they could be.

A lot of the mental health problems could be put down to the uncertainty caused by the Transformation projects; change always caused problems.

Councillor Bedford asked if when a person came back did they come back to the same job or could they be redeployed to take them out of that stressful situation that caused the problems in the first place. Ms Maginnis confirmed that they used a phased return to work with full management support. But it also depended why the

problems occurred in the first place; they took advice from the Harlow Health Service about this.

Councillor Jennings asked how the workloads and vacancies had affected the staff. Ms Maginnis that these factors could play a role and managers had various options that they could use, such as reallocating the workloads etc.

Councillor Bedford asked what was the total number of days lost. Ms Maginnis indicated table 3 of her report noting that 20 people were off for 20 days or more off. This was out of a total of about 650 to 670 staff.

Councillor Sunger asked if these were mainly new employees or established staff. He was told that it was spread across the board. Maybe on the next report she could include length of service. Councillor Sunger wondered if the council could reward members of staff for not taking any sickness. Councillor Lea said that a bank gave their staff one extra day annual leave if they did not have sickness in that year. Ms Maginnis said that this suggestion could be put forward as part of the people strategy project for them to look at. Councillor Dorrell cautioned against this as the genuinely sick could feel discriminated against and also people may opt to work from home instead of legitimately going off sick.

#### **RESOLVED:**

That the Committee noted the report on sickness absence.

### **35. DRAFT GENERAL FUND, CSB, DDF & ITS LISTS AND SAVINGS UPDATE**

The Assistant Director Accountancy, P Maddock introduced the report on the first draft of the Continuing Services Budget (CSB), the District Development Fund (DDF) and the Invest to Save (ITS) Schedules for 2018/19.

It was noted that:

The Medium Term Financial Strategy (MTFS), which formed part of the Financial Issues Paper, identified that savings of around £700,000 were required over the forecast period. The savings required in 2018/19 were identified at £300,000 after savings of £463,000 already identified had been taken into account. It was noted though that there was still significant uncertainty, little had changed since then.

The total CSB expenditure in 2016/17 was £215,000 lower than the original budget and £929,000 below the revised; because of this a decision was taken to fund Capital Expenditure of £1 million from the General Fund balance. This decision was made because of the significant General Fund balance held by the Council and the comments made by Central Government around 'excessive' balances held by local authorities. There was as ever salary savings due to vacancies and this trend had continued into 2017/18 though not as marked.

Income from the Shopping Park would be less than expected in 2017/18 due to the various rent free periods and some negotiations with prospective tenants taking longer than expected. However there were additional industrial and commercial rents in other areas which would offset this loss to a degree though the exact amount was still being assessed. Once all units were let, rental income was expected to be in line with expectations. A prudent £2.4m was included on the lists at the moment as there would inevitably be some costs incurred in managing the park.

There were a number of areas where further work was required before figures to be

included within the budget could be finalised. Clearly the emphasis in this budget cycle would again need to be on CSB savings rather than growth but there are some areas as previously mentioned where growth was inevitable. The figures generally need to be viewed in the context of this being quite early in the budget preparation process and will clearly need to be revisited.

It was also noted that the Invest to Save scheme was a small fund but that had only £34k left in it.

Councillor Durrell noted that there were no savings listed for the new leisure management contracts. Mr Maddock said that as this was the only the first year, it would need some time to get going.

**RESOLVED:**

That the first draft of the CSB, DDF and ITS schedules were noted by the Committee.

**36. CORPORATE PLAN KEY ACTION PLAN 2017/18 - QUARTER 2 PROGRESS**

The Assistant Director Accountancy introduced the report on the quarter 2 progress of the Corporate Plan Key Action Plan for 2017/18 in relation to this Select Committees area of responsibility. The Committee noted that the Corporate Plan was the Council's key strategic planning document, setting out its priorities over the five-year period from 2015/16 to 2019/20. The priorities or Corporate Aims were supported by Key Objectives, which provided a clear statement of the Council's overall intentions for these five years.

It was noted that there were 50 actions in total for which progress updates for Q2 are as follows:

- 42 (84%) of these actions had been 'Achieved' or were 'On Target'
- 2 (4%) of these actions were 'Under Control'
- 6 (12%) were 'Behind Schedule'
- 0 (0%) were 'Pending'

9 actions fell within the areas of responsibility of the Resources Select Committee. At the end of Q2:

- 7 (78%) of these actions had been 'Achieved' or were 'On-Target'
- 2 (22%) of these actions were 'Under Control'
- 0 (0%) of these actions were 'Pending'
- 0 (0%) of these actions were 'Behind Schedule'

It was noted that item 12 ('to produce a plan to implement agreed recommendations from the Service Accommodation Review, to optimize the use of the Council premises') had been put on hold temporarily due to the building now having a grade 2 listing. Officers would have to review what this would mean for the Council's plans.

It was also noted that the action on using text messaging to remind customers when their payments were due had now been put into action, the first message had been sent out in November 2017 and there had been a good response to this. The

message sent out had included a link to the payment website. Councillor Sunger would like a 'thank you' relayed to officers for implementing this.

**RESOLVED:**

That the Committee reviewed and noted the second quarter (Q2) progress of the Corporate Plan Key Action Plan for 2017/18 in relation to its areas of responsibility.

**37. KEY PERFORMANCE INDICATORS 2017/18 - QUARTER 2 PERFORMANCE**

The Assistant Director Accountancy introduced the quarter 2 performance of the key performance indicators. The Committee noted that a range of thirty-two (32) Key Performance Indicators (KPIs) for 2017/18 was adopted by the Finance and Performance Management Cabinet Committee in March 2017. The KPIs were important to the improvement of the Council's services and the achievement of its key objectives, and comprise a combination of some former statutory indicators and locally determined performance measures. The aim of the KPIs was to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district, that were the focus of the key objectives.

The Committee noted that the overall position for all thirty-two KPIs at the end of the Quarter 2, was as follows:

- (a) 25 (78%) indicators achieved target;
- (b) 3 (9%) indicators did not achieve target,
- (c) 4 (13%) indicators performed within the agreed tolerance for the indicator, and
- (d) 26 (82%) of indicators were currently anticipated to achieve year-end target, 3 (9%) were uncertain whether they would achieve year-end target and a further 3 (9%) were anticipated not to achieve year-end target.

Nine of the Key Performance Indicators fell within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at Q2 for these six indicators, was as follows:

- a) 2 (33%) indicators achieved target;
- b) 1 (17%) indicators did not achieve target, however 3 (50%) indicators performed within the agreed tolerance for the indicator;
- c) 4 (66%) of indicators were currently anticipated to achieve year-end target; 1 (17%) was uncertain whether it will be achieve year-end target.

The committee specifically reviewed the following:

**RES001** – *how many working days did we lose due to sickness absences* – Ms Maginnis noted that officers used a nationally recognised calculation set up by the Audit Commission to calculate the average. The Committee noted that the majority of free flu jabs offered to the staff by the Council had been taken up

**RES002** – *what % of the invoices we receive were paid within 30 days* – it was noted that officers were hoping to exceed the target in either October or November and would then be reviewed again. Councillor Bedford commented that if this happened then staff should be congratulated on getting better returns.

Councillor Patel noted that the new head of Customer Services, Ms Shaw would be looking at the KPI's and may be updating the number that this Committee reviewed and hopefully a report on how we could review the new transformation projects that would come under this Select Committee's area of responsibility.

**RESOLVED:**

That the Select Committee reviewed and noted the Quarter 2 performance in relation to the key performance indicators within its areas of responsibility.

**38. QUARTERLY FINANCIAL MONITORING**

The Committee noted that it has within its terms of reference to consider the financial monitoring reports on key areas of income and expenditure. This was the second quarterly report for 2017/18 and covered the period from 1 April 2017 to 30 September 2017. The reports were presented based on which directorate was responsible for delivering the services to which the budgets related and the budgets themselves were the original estimate.

Salaries monitoring data was also presented as it represented a large proportion of the authorities expenditure and was an area where historically large under spends had been seen. The salaries schedule showed an underspend of £153,000 or 1.3%. At the second quarter last year the underspend was 3.0%.

Investment interest was below the budget. Interest rates were now only a little over 0.1% and money was primarily being held short term because of significant capital commitments coming up.

District Development Control income at Month 6 was down on expectations. Fees and charges were £55,000 lower than the budget to date and pre-application charges were in line with expectations. There had been few major schemes come through so far this year and this may be due to developers awaiting the publishing of the Local Plan.

Building Control income was £64,000 higher than the budgeted figure at the end of the second quarter. The ring-fenced account had assumed a deficit of £129,000 for this year due to the amount of scanning work required, however based on income levels to date it was possible the account may break even.

Income from MOT's carried out by Fleet Operations was a little above expectations. This service had now been located at Oakwood Hill depot for about a year so the uncertainties experienced previously should now have been overcome.

Car Parking income was a little below expectations at month 6, some additional spaces were being provided at Oakwood Hill and Vere Road though there has been a delay in these becoming operational which accounts for some of this income loss.

The shopping park was included as the first units were now due to pay rent. Income in 2017/18 would be around £200,000 lower than expected as some units were let later than expected and tenants had not been identified for all units when the budget was set. There was additional income from Industrial Estates and Commercial lets which should mitigate this to some extent. Once all units were occupied and rent free periods passed, rental income was expected to be around £2.5 million per annum.

Expenditure and income relating to Bed and Breakfast placements had been on the

increase. Most were eligible for Housing Benefit and although some would be reimbursed by the Department for Work and Pensions it was only around 50%, leaving a similar amount to be funded from the General Fund.

Councillor Jon Whitehouse noted that there were relatively few cars parked on street parking meters. Mr Maddock said that on street parking was a County matter.

Councillor Whitehouse then asked for some clarity around the recycling figures on page 60 of the agenda. He was told that expenditure was down; officers had estimated a higher figure but it was not as high as was expected. He would investigate and get back to him.

Councillor Whitehouse then also asked about the recycling figures on page 62 of the agenda and he was told that the District Council was reliant on the County Council who were always slow in getting figures out and in invoicing us

Mr Maddock went on to enlarge on Business Rates. This was the sixth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected were retained by the Council. There were proposals that all Business Rates be retained within the local government sector though this actually happening was unlikely to be before the year 2020/21. In any event the proportions retained by each local government tier were likely to change and if additional resources are made available they would no doubt be accompanied by additional responsibilities. He also noted that there were a lot of Business Rate appeals still being assessed.

Mr Maddock went on to note that the report contained detailed commentary on individual Capital schemes. Broadly speaking, a lot of Capital Schemes were slightly under budget.

Councillor Bedford asked if the Council could invest in the HS2 project. Mr Maddock replied that in the near future we would not have a lot to invest as we had a lot of Capital Projects on the go at present and may well have to borrow.

Councillor Sunger asked how many of the Business Rates appeals were historical. Mr Maddock said that there were a lot on an old list; and that there was also a new list. Many were 2 to 3 years old. Councillor Sunger asked if we would be liable for compensation and was told that we probably would be.

Councillor Dorrell noted the comment on the Disabled Facility Grants (page 58 of the agenda) that "demand was rising". Why was this? He was told that this had been happening over the last few years, possibly because the referral system was better and there was more of a drive to keep people in their own homes.

**RESOLVED:**

That the Committee reviewed and noted the revenue and capital financial monitoring report for the second quarter of 2017/18.

**39. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE**

The Committee noted that a general update would be going to the next O&S Committee meeting.

The Committee also noted that there would be a joint meeting with the Finance and Performance Management Cabinet Committee on 18 January 2018 to consider the new budget.

**40. FUTURE MEETING**

The Committee noted their future meeting dates.

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