

3. RESOURCES SELECT COMMITTEE

The Resources Select Committee consisted of the following Members:

Councillor S Kane then A Patel (Chairman)*
Councillor A Patel then D Sunger (Vice Chairman)*
Councillors R Bassett, N Bedford, D Dorrell, R Gadsby, R Jennings, P Keska, J Lea, A Mitchell, C Roberts, D Roberts, P Stalker and J M Whitehouse

The Lead Officer was Peter Maddock, Assistant Director Resources (Accountancy).

* With the appointment of Councillor S Kane to the Cabinet halfway through the year Councillor A Patel was appointed Chairman in his place and D Sunger as Vice-Chairman.

Terms of Reference

1. To undertake overview and scrutiny, utilising appropriate methods and techniques, of services and functions of the Resources Directorate;
2. To consider any matter referred to the Select Committee by the Overview and Scrutiny Committee;
3. To undertake quarterly performance monitoring in relation to the services and functions of the Resources Directorate, through review of progress against adopted key performance indicators and other appropriate measures;
4. To identify any matters within the services and functions of the Resources Directorate requiring in-depth scrutiny, for referral to the Overview and Scrutiny Committee;
5. To establish working groups as necessary to undertake any activity within these terms of reference;
6. To respond to applicable consultations as appropriate;

Finance

7. To consider the draft directorate 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;
8. To review key areas of income and expenditure for each directorate on a quarterly basis throughout the year;

Information and Communications Technology

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

Value For Money

10. To consider 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;

Human Resources

11. To monitor and review areas of concern or significance that comes under Human Resources.

Transformation Programme

12. Transformation Projects relevant to this Committee:
Details of relevant new transformation projects to be submitted to the relevant SC for scrutiny.
13. Transformation Projects closure and benefits reports:
That any Directorate appropriate project closure and benefits realisation reports to be submitted to this SC for information.

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

(i) Corporate Plan Key Action Plan 2016/17 – Quarter 4 (Outturn) Position –
At their first meeting of the year the Select Committee received a report on the Corporate Plan Key Action Plan for 2016/17 and the outturn position for quarter 4. They noted that The Corporate Plan 2015-2020 was the Council's highest level strategic document. It sets the strategic direction for the authority for the five year lifetime of the Plan. It focuses on a number of key areas that the Council needed to focus on during that time and helps to prioritise resources to provide quality services and value for money. These key areas are known as the Corporate Aims and were supported by a set of Key Objectives which represent the Council's high-level initiatives and over-arching goals to achieve the Corporate Aims. The Key Objectives were in turn, delivered via an annual Key Action Plan.

13 actions fell within the areas of responsibility of the Resources Select Committee. At the end of the year:

- 10 (77%) of these actions had been achieved; and
- 3 (23%) of these actions had not been achieved.

(ii) Resources Business Plan for 2017/18 - The Overview and Scrutiny Committee had requested that the relevant Portfolio Holders attend the first meeting of each Select Committee to present their Business Plans, which were developed on a Directorate basis. This would enable each Committee to undertake a more in-depth scrutiny role regarding the numerous services which made up each Select Committee.

This was undertaken at the Committee's July 2017 meeting where the relevant Portfolio Holders gave an outline of the work they have planned for the year ahead.

(iii) Corporate Plan 2018 – 2023 – The Committee received a report on the proposed new Corporate Plan for 2018 – 2023. The new plan sought to lay out the journey the Council would take to transform the organisation to be ‘ready for the future’. This plan sought to link the key external drivers influencing the council’s services with a set of corporate aims and objectives, grouped under three corporate ambitions. This was the first draft going to all the Select Committees and the main O&S Committee for feedback. Members were asked to consider and comment on the document.

(iv) Provisional Capital Outturn Report 2016/17 – The Principal Accountant introduced the report on the Council’s Provisional Capital Outturn for 2016/17. The report set out the Council’s capital programme for 2016/17, 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, represent those adopted by the Council on 21 February 2017.

The Committee noted that:

- The Council’s total investment on capital schemes and capital funded schemes in 2016/17 was £36,957,000 compared to a revised estimate of £43,077,000, representing an underspend of 14%.
- It was noted that the construction of the new depot at Oakwood Hill was completed last summer and has been operational since September 2016. However, there had been a number of snagging disputes, as well as an ongoing issue in relation to the off-site monitoring of the alarm system.
- Within the Resources Directorate, the largest underspend was on the planned maintenance programme as many of the schemes planned at the civic offices had been delayed awaiting the outcome of the Accommodation Review.
- Under the Housing Revenue Account there was an underspend on the Council’s house-building programme which had requested a carry forward.
- The second largest underspend of £769,000 was experienced on the heating, rewiring and water tank works on existing properties.

(v) Provisional Revenue Outturn 2016/17 – The Principal Accountant introduced the report on the Council’s overall summary of the revenue outturn for the financial year 2016/17. The Committee noted that the General Fund saw £288,000 more than estimated being used from the opening balance. Total net expenditure on the General Fund was £14.039 million, some £787,000 higher than the original estimate and £71,000 higher than the revised estimate. Expenditure from the District Development Fund and Invest to Save Reserve was £1.643 million less than estimated.

The position on the Housing Revenue Account was £157,000 better than anticipated.

(vi) Risk Management Standards Assessment and Insurance Renewals - The Risk Management and Insurance Officer, introduced his report on the guidance provided by the Council’s insurer, Zurich Municipal. The Committee noted that on the 8th February 2017 a Public Sector Risk Consultant from the Council’s insurer visited to carry out a Risk Management Standards Assessment in three specified areas. The areas being assessed were, Property (General), Combined Liability and Motor.

The Property review looked at non-residential properties which included the Civic Offices, Oakwood Hill Depot, North Weald Airfield and other operational buildings; and the combined Liability element reviewed areas that could result in Employers’ or

Public Liability insurance claims, such as inspections of estates, car parks, open spaces and staff training.

The Motor element looked at how the Council operates the fleet and also the grey fleet, which is an employee driving their own vehicle for Council business.

Since the review the council has instigated a Fire Risk Assessment at the Civic Offices. The report had just been received so officers had not been able to review the report.

(vii) Sick Absence Report Quarters 3 and 4 – The Committee received the report on the Council's absence figures for Quarter 3 and 4 for 2016/17. It included absence figures by Directorate, the number of employees who have met the trigger level, those who have more than 4 weeks absence and the reasons for absence. The Committee noted that the figures had improved for this last year and were on target for this year as well.

The Council's target for sickness absence for 2016/2017 was an average of 7.5 days per employee. The current outturn figure for the two quarters was an average of 3.73 days, which was below the target of 3.86 days. The overall outturn figure for the year was an average of 6.71 days, which was 0.79 days lower than the target.

The previous report to this committee flagged up mental health absences, officers had now put in processes to help and it was reducing. The Council was now part of a trust the "Mindful Employer" helping us to put in strategies to help staff.

Roughly two thirds of staff did not have any time off sick.

(viii) Key Performance Indicators 2016/17 – Outturn Quarter 4 Performance – The Committee noted the report for the quarter 4 outturn performance figures for the Key Performance Indicators for 2016/17.

The overall position for all 37 KPIs at the end of the year was as follows:

- (a) 28 (75%) indicators achieved target;
- (b) 9 (25%) indicators did not achieve target; although
- (c) 3 (8 %) of these KPIs performed within its tolerated amber margin.

9 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 the end of the year for these indicators was as follows:

- (a) 8 (89%) indicators achieved target;
- (b) 1 (11% indicators did not achieve target; and
- (c) 0 (0%) indicators performed within its tolerated amber margin.

(ix) Universal Credit – In October 2017 the Committee received an informative report on the Governments Universal Credit Scheme. This was to inform all members on the rollout of Universal Credit and the impact it would have on the work of the Council.

Universal Credit would replace the following benefits that people now received: Jobseekers Allowance, Employment and Support Allowance, Income Support,

Working Tax Credit, Child Tax Credit and Housing Benefit. A single payment would be made on a monthly basis to cover both living expenses and housing costs.

(See Case Study for full details)

(x) Quarterly Financial Monitoring Report – The Committee received quarterly Financial Monitoring reports providing a comparison between the original estimate for the quarterly periods and the actual expenditure or income as applicable.

(xi) Financial Issues Paper – this report provided a framework for the Budget 2018/19 and updated Members on a number of financial issues that would affect this Authority in the short to medium term.

In broad terms the following represented the greatest areas of current financial uncertainty and risk to the Authority

- Central Government Funding
- Business Rates Retention
- Welfare Reform
- New Homes Bonus
- Development Opportunities
- Transformation
- Waste and Leisure Contracts
- Miscellaneous, including recession and pay awards

The report went on to outline in general terms the state of the Council's finances and the problems (potential or otherwise) facing it. The report touched on the recent elections and what Brexit might mean for us. It outlined the state of the General Fund, detailing the CSB, and the DDF. It updated members on the Medium Term Financial Strategy, the current position on Central Government funding, and the existing position on business rate retention scheme. The report also noted that the reduction in New Homes Bonus for 2017/18 was far greater than had been anticipated and outlined the upcoming development opportunities in the district.

(xii) Draft Technology Strategy 2018 – 2023 – The Committee received a presentation on the Council's draft Technology Strategy for 2018-2023.

They were preparing for April next year when Transformation starts and part of this was that they were losing their training room and would be using the Council Chamber instead. They were also preparing for a possible decamp from this building. The Condor building had spare capacity and could be used to house more staff although the Airfield and Hemnall Street may prove problematic.

To support this they would be asking the Cabinet to purchase 550 new laptops for everyone. They were also looking at the internet set up and working closely with BT.

It was reported that more intensive use would be made of the new building at the Civic Office complex. Outside of office accommodation, ICT were proposing the following changes to their accommodation requirements:

- Low cost Multipurpose refit of Council Chamber to allow easier use for Training, including ICT Training.
- Release of current ICT Training Room to provide capacity for other uses.
- Migration to cloud based servers to release server room accommodation.

(xiii) Corporate Plan Key Action Plan 2017/18 – Quarterly Progress – The Select Committee received quarterly updates on the Council's Corporate Action Plan pertaining to their area of responsibility.

(xiv) Key Performance Indicators 2017/18 Quarterly Performance - The Select Committee received quarterly updates on the Council's Corporate Action Plan pertaining to their area of responsibility.

(xv) Fees and Charges – In October 2017 the Committee received a report on fees and charges that Council levies and what scope, if any, there was to increase particular charges.

The meeting on consideration of the report agreed that they would not like to see the bulky household waste charges go up and would like to see the concession for pensioners reinstated.

(xvi) Sickness Absence – In December 2017 the Committee received the six monthly update of the Council's absence figures for quarters 1 and 2 for 2017/18. They noted that 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.

There had 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.

(xvii) Draft General Fund, CSB, DDF & ITS Lists and Savings Updates – This was the first draft of the Continuing Services Budget (CSB), the District Development Fund (DDF) and the Invest to Save (ITS) schedules for 2018/19.

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 were some areas 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 would clearly need to be revisited.

(xviii) Resources Directorate Business Plan for 2018/19 – at their last meeting of the year the Committee received a presentation from the relevant Portfolio Holders on their Business Plans for 2018/19.

(xix) Transformation Programme – also at their last meeting for the year the Committee received several reports on the transformation programme projects, project closures and a list of high and medium complexity projects. They also received a report on the future of how the corporate specifications would be presented to the various Select Committees in the new year.

Case Study – Universal Credit

At their October 2017 meeting the Assistant Director Benefits introduced the informative report on the Governments Universal Credit Scheme. This was to inform all members on the rollout of Universal Credit and the impact it would have on the work of the Council.

Universal Credit would replace the following benefits that people now received: Jobseekers Allowance, Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. A single payment would be made on a monthly basis to cover both living expenses and housing costs.

Universal Credit was not paid for the first week of the claim. The payment was made monthly in arrears and was designed to replicate the budgeting required by people who receive a monthly wage. The claimant was then responsible for paying their full rent to their landlord. This was a change for council tenants as Housing Benefit was paid directly to the rent account and not to the tenant.

Up until 20 September 2017, in Epping Forest District, Universal Credit had been restricted to new claims from single people who were job seekers. However, this was changing as 'full service' was rolled-out throughout the country from July 2017. In the future, couples, families with children and people with disabilities who were of working age, would also be directed to claim Universal Credit. This meant that they could no longer claim Housing Benefit and they can only get help with their rent through Universal Credit, although there were some exceptions.

The exceptions to the move to Universal Credit were as follows:

- People who have more than 2 children
- People who live in exempt and specified accommodation, i.e. accommodation where support is provided by the landlord to tenants who are vulnerable in some way, e.g. physical disabilities, mental health issues or drug/alcohol addictions.

People falling into these categories would still claim Housing Benefit.

The Council still remained responsible for Local Council Tax Support, and therefore people would have to claim Universal Credit from the DWP for help to pay their rent, and at the same time make an application to the Council for help to pay their council tax.

There were delays in getting claims out and there was a wait of 6 weeks or longer for payment which put the claimants in rent and Council Tax arrears. People on long term benefits usually had difficulties in budgeting on a monthly basis; the council provided support and help for them.

Because of the monthly payments going directly to the claimants, and their resulting difficulties in budgeting, there was an increase in rent and council tax arrears and it may be that the council would need to consider different ways to collect council tax.

It was also noted that Officers had communication problems with DWP staff and the Universal Credit Centres, they found it hard to find someone to speak to and resolve problems.

It was known that Landlords on the whole were not taking on persons on Universal Credit and this in turn was resulting in more homelessness and more people in Bed and Breakfast accommodation. It was hoped that the B&B costs would be moved out of Universal Credit, but there was no sign of this happening as yet.

The Committee thanked the Assistant Director Benefits for her informative report and for bringing the problems around Universal Credit to their attention.