

EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF FINANCE AND PERFORMANCE MANAGEMENT SCRUTINY
PANEL
HELD ON TUESDAY, 19 JUNE 2007
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.00 - 9.16 PM

Members Present: J M Whitehouse (Chairman), G Mohindra (Vice-Chairman), R Bassett, M Colling, D Jacobs, R Morgan, Councillor Mrs P Smith (Epping Upland Parish Council), A Watts and B Rolfe (Epping Town Council)

Other members present: Mrs A Grigg, D Stallan and C Whitbread

Apologies for Absence: J Hart and A Lee

Officers Present V Evans (Acting Head of ICT), J Gilbert (Head of Environmental Services), B Land (Assistant Head of Planning and Economic Development), D Macnab (Head of Leisure Services), R Palmer (Head of Finance), P Pledger (Assistant Head of Housing Services (Property and Resources)), S Tautz (Performance Improvement Manager), T Tidey (Head of Human Resources and Performance Management) and A Hendry (Democratic Services Officer)

1. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The panel noted that Councillor B Rolfe was substituting for Councillor J Hart.

2. DECLARATION OF INTERESTS

Pursuant to the Council Code for Members Conduct, Councillor J Whitehouse declared a personal interest in agenda item 8 (Value for Money in Leisure Services) by virtue of being the Chairman of the original working group examining the future of the Leisure Services. He declared that his interests were not prejudicial and that he would remain in the meeting for the consideration of the item. He would, however, relinquish the Chairmanship of the Panel for this item to the Vice Chairman.

3. NOTES FROM PREVIOUS MEETING - 12 FEBRUARY 2007

The notes of the previous meeting, held on 12 February 2007, were agreed. It was reported back that the figure reported in BV170a was per 1,000 and not for the total population.

4. TERMS OF REFERENCE / WORK PROGRAMME

The current work programme and terms of reference, with the added items transferred from the Customer Services and ICT Standing panel were noted.

5. KEY PERFORMANCE INDICATORS 2006/07 AND 2007/08

The Head of Human Resources and Performance Management introduced the report on Key Performance Indicators. A range of 52 Key Performance Indicators (KPIs) for 2006/07 was adopted by the Cabinet at its meeting on 10 July 2006. They also set a target that at least 50% should achieve top quartile status by the end of the year. He commented that the majority of KPI indicators chosen would remain the same and that there was a suggestion that a future target be set of 75% of KPIs achieve top quartile as the target of 50% was met last year. Councillor Jacobs questioned the ability for the Council to meet this new target saying it would require another 10 KPIs to meet their targets. The Panel considered the schedule detailing the performance against BVPIs and LPIs (including those designated KPIs) for the period 1 April 2006 to 31 March 2007. They noted that performance targets had not been set for any KPI relating to the issue of Penalty Charges Notices for on-street and off-street parking as local authorities were encouraged not to set targets for the issue of these notices.

The Panel considered the Council's performance for 2006/07 in relation to the BVPIs and the LPIs. The indicators were either coloured red where targets were not achieved, green when the target had been met or amber where targets had not been met for the year, but the outturn performance fell within 5% of this.

The Panel considered the KPIs, where the following was noted:

The DCLG had recently advised local authorities that the following BVPIs had been deleted with effect from April 2007:

- BVPI 17(b) - Economically active population from ethnic minority communities;
- BVPI 76(a) - Housing Benefit claimants visited per 1,000 caseload;
- BVPI 164 - Access to social housing;
- BVPI 183(a) - Length of stay in temporary accommodation (Bed and Breakfast);
- BVPI 203 - Change in number of families in temporary accommodation;
- BVPI 214 - Repeat homelessness;
- BVPI 219(a) and (c) - Conservation Areas with published management proposals; and
- BVPI 200(c) - Plan making.

KPI BV184b (change in proportion of non decent council dwellings) the council would need to manage what properties are looked at over the district as a whole.

BV66c (% of tenants in arrears served a notice seeking possession) it was noted that you could not have both '66c' and '66d' one would have to be green and the other red. The council would rather keep persons in the properties than evict them.

KPI BV63 (average SAP rating of council dwellings) –It was noted that it would improve next year.

KPI BV212 (average days to re-let council dwellings) this would get better in the near future.

KPI BV 9 and 10 were close to meeting their respective targets, although the targets would increase.

KPI BV91a (% of households served by kerbside collection of recyclables) – this was an unreasonable target but officers were confident the council could get to a higher level.

KPI BV166a (performance against environmental health best practice check list) the council was confident it could reach the target set.

LPI WM1 (missed refuse collections per 100,000 collections) the outturn figure for 2006/07 should have read 211 and not 66.74.

Noted that KPI BV109a, KPI BV109b and KPI BV204 would all continue to improve, although the new targets would be higher. To help them continue to improve there would need to be further delegations to officers.

Agreed that future meeting should just consider the KPIs.

Agreed that if possible the Panel should receive a recovery plan from officers for any targets that the council were going to miss.

RECOMMENDED TO CABINET:

- 1) That the Council's performance in relation to Best Value Performance Indicators (BVPIs) and Local Performance Indicators (LPIs) for 2006/07, be noted;
- 2) That subject to the concurrence of the Cabinet:
 - (a) the Council's Key Performance Indicators (KPIs) for 2006/07 be readopted for 2007/08, with the exception of BVPI 164 (Race Equality in Housing), BVPI 183(a) (Length of stay in Bed and Breakfast accommodation) and LPI CEM1 (Penalty Charge Notices for Car Parking); and
 - (b) a target be set for at least 75% of the KPIs to achieve top quartile (or other appropriate target) performance for 2007/08;
- 3) That the Scrutiny Panel did not identify any additional BVPIs or LPIs to be recommended to the Cabinet for adoption as KPIs for 2007/08.
 - (a) The Panel noted the existing arrangements in place to effect KPI improvements and that they would be considered by the Cabinet.

6. VALUE FOR MONEY SUB-GROUP - REPORT

The Panel noted the report of the value for money sub-group, which was convened to consider in detail the Value for Money analysis produced for 2005/06.

The Sub-group consisted of Councillors Hart, Jacobs and J M Whitehouse and was supported by the Head of Housing Services and the Head of Human Resources and Performance Management. The sub-group considered options for further work on the VFM analysis, further information was required from the respective Head of Service or whether a more detailed 'service review' type of analysis should be undertaken through a member level Task and Finish Panel.

The Sub-Group recommended:

- (a) That a report be made to the Finance and Performance Management Scrutiny Panel with regard to the achievement of VFM within Leisure Services, following the first year of operation of the leisure management contract with SLM Limited; and
- (b) That the establishment of a Task and Finish Panel be proposed for 2007/08, to consider in detail the provision of VFM within the Council's Development Control function.

It was noted that a report from the Head of Leisure Services on the achievement of VFM following the first year of operation of the external leisure management contract was to be considered at this meeting. A proposal for the setting up of a Task and Finish Panel looking at the provision of Value for Money within Planning Services, had been endorsed by the Overview and Scrutiny Committee at its meeting in June 2007.

RESOLVED:

That the recommendations of the Value For Money Sub-Group established by the Scrutiny Panel to undertake detailed consideration of the Council's Value For Money analysis for 2005/06, be endorsed.

7. VALUE FOR MONEY IN LEISURE SERVICES

Councillor Mohindra took the Chair for this item.

The Head of Leisure Services introduced the report. He stated that the original Policy Working Group determined a number of key objectives to be achieved from externalisation.

- i) To manage the Council's Facilities by the most cost effective means possible, therefore reducing the level of revenue support necessary;
- ii) To alleviate the financial risks to the Council and in particular to release the Council from the threat of punitive VAT penalties, deriving from exempt income;
- iii) To invest in facilities, not only to ensure that their internal fabric is maintained to the current standards, but that capital refurbishments and new facilities are provided where possible; and
- iv) To retain the accessibility, quality and diversity of leisure opportunities provided and to seek continuous improvement to the Service.

In order to secure these objectives and safeguard the Council's assets, a set of Contract Documents i.e., Invitation to Tender, Conditions of Contract and Specification of Works, were developed. These set out the core expectations and the minimum standards that any future Management Partner must achieve. This was necessary to enable the Council to evaluate any Tender Bids in a consistent manner.

The Contract Documentation was also important to assist in performance monitoring the future delivery of the Service.

Eventually this resulted in SLM as the preferred contractor, with a contract commencement date of 3rd January 2006.

It was noted that the Contract is monitored on a day-to-day basis by a Client Officer, who undertakes site inspections etc. In addition, a monthly "Core" meeting is held with the SLM Contract Manager and Key EFDC Staff from Leisure, Finance and Building Maintenance. Finally, the Council has appointed five Members to sit on the "Contract Monitoring Board" which has met on three occasions.

The Contractors Performance is monitored against the Key Performance Indicators, both quantitative and financial within the Contract. To date the Contract is operating well with only one Default Notice issued, with respect to water quality monitoring.

In summary:

In conclusion, the Head of Leisure Services stated that the Council's Key Objectives have been met and Value for Money achieved, in the following ways:

1. Revenue savings anticipated to be in the region of £1.1million over the Contract Period are being achieved. Income Share in second year of Contract anticipated, with an estimate of £50,000 included in the CSB.
2. In addition to the £1.1 million of operational savings achieved, over the contract period CSB Savings of £180,000 p.a. have also been delivered through reduction of support service costs. (£66,000, p.a. Leisure Admin and £114,000p.a. others, Legal, Finance, Human Resources etc).
3. The financial risk has been transferred to SLM, particularly with respect to underachievement of Income. Fee and Charge increases have remained in line with inflation, with many discounted promotions.
4. The Council no longer has any problems with respect to its exempt income levels and the threat of additional VAT payments.
5. In the first year of the Contract £1.3m of additional external investment in new facilities has been achieved, which has improved the Quality and Range of the Service.
6. High standards of customer satisfaction have been maintained, with no Stage 2 Complaints from the public received to date.
7. Quality standards had been maintained with the retention of Chartermark and Quest Quality Assurance Accreditation achieved.
8. Participation has increased, particularly with respect to young people learning to swim and the number of people participating in Health and Exercise Initiatives.
9. The Council's assets have been improved by the capital investment and the buildings are being satisfactorily maintained.

10. Contract compliance has been good, with only one Default Notice (in relation to a water test log failing) issued and seven improvement Notices issued, primarily in relation to speed of response to routine building maintenance and servicing of plant.

Panel's comments:

Councillor Colling commented that the report speaks for itself, the councils aims and objectives were met. The Head of Leisure and his team are to be congratulated for this success story.

Councillor Whitehouse said it was the right decision, as SLM had achieved things that the Council had not been able to achieve. There had been lessons learned, such as it was necessary to push contractors quite hard; a long time was needed to be spent evaluating the bids; it was important to monitor the contractor on a daily basis; and that the Service was in circumstances that could be outsourced.

Councillor Jacobs commended the report. He also stated that the standards of the Council's buildings was good to begin with which helped SLM. Leisure are to be commended for that.

It was noted that the report was a work in progress, if wanted members could have an updating report in the future as and when requested.

Councillor Bassett commented that there should be a plan for the future of SLM and their relationship with the Council. The Head of Leisure Services replied that they have now got full charitable status and will have to start looking at the community development side of leisure. They would also like to see a district leisure card scheme.

8. BACKWARD LOOKING EFFICIENCY STATEMENT 2006/07

Councillor Whitehouse resumed the Chairmanship of the Panel.

The Head of Finance introduced the report on the backward looking Annual Efficiency Statement for 2006/07. He stated that every local authority was required to submit a forward looking efficiency statement in April which covers the gains anticipated for the financial year that has just commenced, followed by a backward looking statement in July, which covers the gains achieved in the financial year that has just finished.

The panel noted that the gains achieved to date showed that with one year of the process still outstanding, the target has already been exceeded by nearly £2m.

RESOLVED:

That the Panel noted the contents of the report and agreed the efficiencies proposed for inclusion in the backward-looking Annual Efficiency statement for 2005/07 to be submitted to the Department for Communities and Local Government.

9. COUNCIL PLAN 2006-2010 - ANNUAL REVIEW

The Head of Human Resources and Performance Management introduced the Council Plan monitoring report, the Local Area Agreement for Essex monitoring report and the Comprehensive Performance Assessment Improvement Plan monitoring report. It was noted that the Council Plan was adopted in April 2006 and was therefore due for its first review at the end of March 2007, the Local Area Agreement was subject to quarterly reports to the Panel, alongside performance reporting on the small number of actions remaining outstanding from the improvement plan arising from the Council's first Comprehensive Performance Assessment (CPA) in 2004.

The Panel considered the monitoring reports submitted and noted progress.

The Panel firstly considered the Council Plan 2006-2010:

- They were told that the East of England Plan was to become an issue in the Autumn;
- The progress report did not indicate if we had achieved the target set out;
- Asked if we mentioned 'Clean Air' the Panel were told that the council does produce air quality figures elsewhere, as there are routine monitoring sites all around the district;
- The Council's homeless prevention policies are regarded by the DCLG as very good practice;
- Noted that the Council Plan is updated every 2 years and reviewed regularly;
- It was reported that FL2 had now been completed;
- Noted that the Customer Services Transformation Programme still had a small budget, but will need significantly more money when next the Capital Programme is reviewed it will be considered again.

The Panel next considered the Essex Local Area Agreement:

- A report will be brought to the August meeting that would take the schedule up to the end of June;
- It may well be that the Cabinet will ask O&S to consider setting up a Task and Finish Panel to look into the LAA.

Finally the Panel considered the Comprehensive Performance Assessment Improvement Plan:

- The table showed the outstanding work and things that needed to be achieved. It was taken from the CPA plan.
- This would be the last round of the CPA, it is to be replaced by a Use of Resources review which bolts onto the CPA. The CPA focused inwards on the Council, the Use of Resources will have a broader remit looking at the community.

10. CONSULTATION PLAN AND REGISTER 2006/07 AND 2007/08

The Head of Human Resources and Performance Management introduced the Consultation Plan and Register 2006/07. He reported that the Consultation Plan resulted from an Audit Commission suggestion on improving our approach to public consultation, particularly in respect of ensuring engagement with minority communities and other hard to reach groups.

It was noted that as part of the new Public Consultation and Engagement Strategy, the Cabinet and the Scrutiny Panel had requested that a Consultation Plan be developed as part of the annual business planning process from 2006/07 onwards.

The Panel noted the Consultation Plan and the details of those public consultation exercises completed in the last year. It was also noted that a six month review of the plan was requested.

RESOLVED:

That the Consultation Plan for 2007/08, setting out those issues on which public consultation is planned to be undertaken during the municipal year, and detailing those consultation exercises completed during 2006/07, be noted.

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

To report back to the next Overview and Scrutiny Committee on the KPI report and the conclusions of the VFM sub-group review.

12. FUTURE MEETINGS

1. The Panel noted the scheduled meeting dates for the panel.
2. The Panel considered the request to bring forward the date of the next meeting to the end of July or to add an extra meeting to consider the webcasting report. An alternative proposals that the report go to the next Overview and Scrutiny Committee due to be held on 10 July 2007 was accepted by the Panel.

RESOLVED:

That the Overview and Scrutiny Committee be asked to consider the proposed report on the webcasting project at its next meeting.