

**EPHING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON TUESDAY, 2 APRIL 2019
IN COUNCIL CHAMBER - CIVIC OFFICES
AT 7.30 - 8.56 PM**

Members Present:	A Patel (Chairman), , R Baldwin, L Burrows, J Jennings, A Mitchell, M Owen, B Vaz, H Whitbread and J H Whitehouse
Other members present:	A Lion, G Mohindra and C Whitbread
Apologies for Absence:	N Bedford, D Dorrell, I Hadley, J Lea and C P Pond
Officers Present	P Maddock (Chief Finance Officer), P Maginnis (Service Director (Business Support Services)) and A Hendry (Senior Democratic Services Officer)

48. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was reported that Councillor H Whitbread was substituting for Councillor N Bedford and that Councillor R Baldwin was substituting for Councillor C P Pond.

49. NOTES OF PREVIOUS MEETING

RESOLVED:

That the notes of the meeting of the Select Committee held on 12 February 2019 be agreed.

Matters Arising

- (i) Quarterly Financial Monitoring Qtr.1 (minute item 41 – 12.2.19)

P Maddock reported that there had been some recent improvement in the recycling credit income figures. Councillor Mohindra reported that he had taken this up at County level and would be pursuing this again.

- (ii) Council Fraud Investigation Team (minute item 41 – 12.2.19)

P Maddock noted that this had gone to last week's Audit and Governance meeting where they had reported on their strategy for 2019/20.

- (iii) ICT Service Level Agreement (minute item 41 – 12.2.19)

P Maginnis said that she was unsure on what had been requested. The request had come from Councillor Hadley and he would have to be asked to as to what exactly he had wanted.

- (iv) Quarterly Financial Monitoring (item ix) (minute item 41 – 12.2.19)

It had been agreed that it be proposed to the Cabinet that the underspend on disabled adaptations be ring fenced for future use. P Maddock noted that this will go to the Finance and Performance Management Cabinet Committee in June or July.

50. DECLARATIONS OF INTEREST

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

51. TERMS OF REFERENCE AND WORK PROGRAMME

(i) Terms of Reference

The Committee noted their Terms of Reference.

(ii) Work Programme

Item 13 – Shared Services Working – Councillor Whitehouse wanted some background to the Council's shared services with Braintree Council. P Maginnis explained that we shared our Head of Legal Services with them.

P Maginnis went on to note that shared Payroll Services with Colchester and Braintree Councils was now in place and that officers were looking at any other effective ways they could share other services across the council.

Item 16 – Universal Credit – P Maddock noted that this had been rolled out on 6th December 2018, but they did not have much data at this time due to the short duration it had been running. There had been a delay in rolling out Universal Credit to all claimants and because of difficulties in the system the government had stalled the complete roll out for a few years. There was also more legislation to be rolled out. The Citizens Advice were helping the Council in providing advice and assistance with claimants.

Because the scheme had started slowly it had posed relatively few problems for us. One of the issues was the 5 week lead-in period before claimants would receive any money.

Councillor Baldwin questioned if payments for Housing Support could be paid directly to landlords. P Maddock said he did not know and he would check this out.

52. CHANGE IN ORDER OF THE AGENDA

With the committee's permission the meeting considered agenda items 8 (Peoples Strategy PIDS) and 7 (Agency Staff and Consultancy Costs) next.

53. PEOPLE STRATEGY PIDS

P Maginnis noted that these documents had been completed before the electronic 'Pentana' system had been set up. The principal document was the Programme Definition Document (PDD), which set out what the purposes and objectives officers were looking to achieve and set out the work programmes in order to achieve these goals. It would also set out any financial objectives or benefits. Currently officers were looking to make savings of £1.5million by way of the Peoples Strategy.

The Peoples Strategy would be coming up for review in the new financial year as it had been going for some time and deadlines within the project had moved on. Officers had just started a consultation process on the junior levels of management and would recruit to these rolls in the near future. This was all tied in with the recruitment strategy.

A key project being undertaken was the Pay and Benefits Review and they were still negotiating with the Trade Union side on this. In short there was still lots of ongoing work taking place.

Councillor Patel asked if we needed to capture the risks associated with the strategy outlined in the PDD document. P Maginnis said that they did. They worked with the Transformation Team to put this information into Pentana and it was reviewed regularly.

Councillor Patel looking at Appendix 1 asked if there should be a column for risks. He was told that this was shown in Pentana and was in the same format as the corporate risks table including impact and likelihood, which was how it was assessed.

Councillor Patel noted that there were lots of different projects, how did we prioritise one over another. He was told that they were discussed at Management Board to establish the priorities and establish a common operating model. Councillor Patel asked if we should not state how we prioritise one project over another. P Maginnis said that she would take this suggestion back for consideration. Councillor Mohindra noted that the project officers would have prioritised the projects at their start and he was hesitant to now, at this late stage, to ask for justification of these projects.

Councillor Whitehouse noted that there was a summary of risks on section 16 and asked if an update could be given. P Maginnis replied that they had identified the capacity in HR as a risk due to the number of projects. They had now taken on more staff to support the projects and carry out business as usual. She continued that there were no issues with the iTrent system and with working with other authorities. The Accommodation Review has, so far, not had much impact. There were no member issues to be reported. Workshops on the Pay and Benefits review had been held. The Council was still experiencing low level employee issues due to the ongoing change but there had been no reduction in customer satisfaction, so far.

Councillor Mohindra noted that the Audit and Governance Committee did keep an eye on this as well.

Councillor Lion asked where we were in terms of the budget and delays. P Maginnis said that they had made savings in year 1 and were about £60k ahead at present. P Maddock added that a further saving of about £100k would be added to this, but it was still difficult to see if we would make the £1.5million saving at the end of the year.

Councillor Owen asked if the Council published any information on the gender pay gap. He was told that yes we published this information and it was available on our website. Currently the gap was running at 16% but officers were hoping to see an improvement in the near future.

Councillor Whitehouse asked what was behind the statement “the Council will have a better balance of employees by age profile”. P Maginnis said that currently we had an older workforce. We now had apprentices working for us and were hoping to retain them once they had passed their apprenticeship. The Council was also looking to

have 'higher level' apprentices that came in at degree level. By this and other means they were trying to bring down the average age.

Councillor Whitehouse asked how far things had moved on over disability and equalities. She was told that officers were talking about structures and this had been monitored, but there had been no changes so far.

Councillor Mohindra asked about the PID on developing the skills and capacity of the workforce and if this included members. He was told that would be separate from this.

Councillor Patel asked about the PID on the Peoples Strategy and the sections on the approach. He asked who we compared best practice and retention models with. P Maginnis thought it was probably Braintree and Colchester but was unsure and would find out.

Councillor Lion noted we had difficulties in getting graduate entry recruits, was there something in the strategy about this. He was told that was what the 'Higher level' apprenticeship scheme was about. They had just heard that Town Planning could now join in the apprenticeship scheme and they would be looking into this. Councillor Lion suggested that this should be publicised.

Councillor Whitehouse noted that this PID had a lot of bullet points scoping the review to inform the recruitment and retention strategy; had there been any changes so far? She was told that actions were still being planned and final inputs were to happen in the next few weeks.

Councillor Patel asked about retention and was told that recruitment and retention were two different things. Retention would come under the Pay and Benefits Review and a new project called the "Wellbeing Strategy".

The Chairman thanked the Service Director, Business Services for that update and clarification of the PID documents.

54. AGENCY STAFF AND CONSULTANCY COSTS

The Chief Finance Officer introduced the report on the cost of Consultants and Agency Staff from 2017 up to the end of February 2019. It showed the areas where they had worked and how much had been spent in these areas. The expenditure had increased over the last couple of years especially around the Local Plan and in the Estates sections. The report also contained some commentary on the new consultants in each directorate.

He noted that expenditure in recent years had increased significantly; in 2015/16 overall expenditure was just short of £1.5m whereas in 2017/18 expenditure was double that at nearly £3m and in this year currently stands at a little over £2.5m with a month to go so the outturn position will be similar to last year. The reasons for the levels of expenditure were explored in the report but quite clearly the Local Plan and costs within the estates division have had a significant impact.

Councillor Whitehouse noted the consultancy costs on Public Relations due to the creation of the new website. There had been a lot of problems on the website and if a consultant was involved then they were not worth the money. She cited the elections results pages for last year. P Maddock said that he would ask PR about this.

Councillor Baldwin asked about the consultant costs to the Local Plan; as it was a long term operation, could we not have taken on some in-house expertise instead of using consultants. Councillor Mohindra commented that there was a national shortage of such officers and that it was not for the lack of trying that we could not get the right staff.

Councillor Patel asked about the consultants relating to the Legal and Peoples Team and the Peoples Strategy. He was told that this would be picked up as part of the People's Strategy.

Councillor Patel went on to ask if we picked up on the reasons why staff left at their exit interviews. P Maginnis replied that this would be mostly money related reasons; people leaving for better money and better benefit packages offered to staff. She went on to note that the consultant employed in estates had so far brought in additional income into the Council which covered his salary.

Councillor Mohindra commented that having consultants was not a bad thing as the Council sometimes needed the expertise that they brought.

Councillor Patel noted the costs within the Housing Maintenance and Repairs Section. Was this related just to getting in extra craftsmen? P Maddock said that some of this expenditure was wrongly ascribed and should be allocated to housebuilding. Some of the costs were for surveyors.

Councillor Whitehouse asked if new consultants received an introduction to the Council and was there a plan to introduce them to Members. She was told that our contractors were given an introduction and if needed officers could do the same thing for the consultants. P Maginnis added that sometimes HR did not hear about the employment any new consultants as they were not 'standard' employees.

Councillor Chris Whitbread said that we brought them in to do a professional piece of work and to cover this piece of work for a certain period of time. We must have them to make any progress.

RESOLVED:

That the members of the Resources Select Committee noted and commented on the Agency and Consultancy report.

55. QUARTERLY FINANCIAL MONITORING

The Chief Finance Officer introduced the report on quarterly financial monitoring, quarter 3. The report provided a comparison between the original estimate for the period ending 31 December 2018 and the actual expenditure or income applicable.

The reports were presented based on the directorate responsible for delivering the services to which the budgets related and the budgets themselves were the revised estimate. The reports were presented in the new directorate structure.

The Committee noted under Revenue Budgets that:

- The salaries schedule showed an underspend of £202,000 or 1.2%;
- Housing and Property was showing the largest underspend of 2.2% or £98,000. Most of this related to the Housing Options Group, who dealt with homelessness, as there were a significant number of vacancies, but which have now been filled;

- Investment interest was slightly above target, due mainly to the Council holding more cash than was expected;
- Development Control income at month 9 was above expectations;
- Building Control income was £4,000 lower than the budgeted figure at the end of the third quarter. By the end of January 2019 the position had improved slightly;
- Licensing income was broadly inline with expectations;
- Car parking income was £10,000 below target at month 9. The new fee regime came into effect from 4th March so some additional income will be received;
- Local Land Charges was £4,000 below expectations;
- Bed and Breakfast Income and expenditure had been a little volatile at times this year. During January and February we had seen a sharp increase in expenditure as more people had been presenting themselves as homeless. The Pod's at Norway House would be available for occupation in the next couple of weeks but as regards this financial year we would now be overspent;
- Recycling credit income was still slow coming through although things had improved and indeed credits for December were billed in early March which was more in line with expected timescales; and
- Expenditure on Disabled Facilities Grants at quarter 3 was still significantly below the budget although less so than at quarter 2. However the underspend had again increased since December.

The report also gave an update on the Corporate Fraud Team. Their main area of proactive work related to Right to Buy applications, where all applicants were vetted by the team prior to the sale. The team also worked on Business Rates fraud and Council Tax exemptions, since this had commenced, around £45,000 of additional income had been recovered, although the main beneficiaries of the additional income was either Essex County Council or the Treasury.

They also carried out some reactive work including referrals from the 'know a cheat in your street' campaign and the National Fraud Initiative, where data was collected for a national database. The team also works with Brentwood District Council.

They have just had their strategy for 2019/20 adopted last week by the Audit and Governance Committee.

Councillor Mohindra said that it was really important to be proactive and discourage people trying to defraud us.

The report went on look at Business Rates. This was the seventh year of operation of the Business Rates Retention Scheme whereby a proportion of rates collected were retained by the Council. We presently retained 50% of the rates collected and this would eventually go up to 75%. This would take effect from the financial year 2020/21.

The report also contained detailed appendices on the Capital Budgets with detailed commentary on each table.

Councillor Baldwin asked what if any discounts on their business rates, did we give retailers for shop occupancy. P Maddock said that there were a lot of discounts available, such as the small business rate discounts. Some were mandatory and

some discretionary and officers encouraged people to apply for a discount if they were eligible.

Councillor Owen looking at annex 11(B) asked if we only had CCTV systems on council property and did we share the images with the Police etc. He was told that we had a lot of cameras all over the district, mostly covering the High Streets. And yes we did share this coverage with the Police when warranted.

Councillor Baldwin said that he had not seen the CCTV Policy recently. Councillor Patel informed him that it was up for review in September.

RESOLVED:

That the Revenue and Capital Financial Monitoring report for the third quarter of 2018/19 was noted by the Committee.

56. CORPORATE PLAN ACTION PLAN YEAR TWO

This report had been deferred and would now go to the next Overview and Scrutiny Committee meeting.

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

The Chairman would give a short report to the next Overview and Scrutiny Committee meeting on the reports received at this meeting.

As this was the last meeting of the Resources Select Committee the Chairman gave his thanks to all Members, Cabinet Members and Officers that had participated in this Committee over the past year.

He also noted that this would be the last meeting but one that Peter Maddock would attend at this Council as he was moving on to a new job. He thanked Peter for all his help over the years and wished him well in his new job.

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