

**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON TUESDAY, 28 MARCH 2017
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.30 - 9.03 PM**

Members Present: S Kane (Chairman), A Patel (Vice-Chairman), N Bedford, D Dorrell, A Mitchell, C Roberts, D Roberts, H Whitbread and J M Whitehouse

Other members present: A Lion

Apologies for Absence: A Boyce, R Gadsby and R Jennings

Officers Present P Maddock (Assistant Director (Accountancy)), D Newton (Assistant Director (ICT and Facilities Management)) and A Hendry (Senior Democratic Services Officer)

51. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

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

52. NOTES OF PREVIOUS MEETING

Minutes

The notes of the meeting held on 7 February 2017 were agreed.

Matters Arising

(a) Mr Maddock, the Assistant Director Resources (Accountancy) gave an update on the Benefits Fraud and Compliance report from the last meeting. He noted that officers had received a response from the Government on Universal Credit that they would be doing more work on this and that it was generally accepted that the Single Fraud Investigation Service (SFIS) was failing. The National Audit Office will be writing a report on this.

Councillor Lion asked what was the ongoing cost for not collecting on the benefit frauds. He was told that the Council did not know as it was all in the hands of SFIS who evaluated the money owed. We might be able to get someone from SFIS to attend one of our meetings. The Assistant Director (Benefits) will be asked to see if she could arrange this.

Councillor Patel said that there was also the suggestion of writing to our MP, via the Finance Portfolio Holder about this situation. Mr Maddock said that he had not had time to arrange this as yet. Councillor Bedford said that with the timescale on this it should be brought back in 9 months time for an update. The Chairman agreed to this.

(b) Councillor Patel asked about scrutiny of the Health and Safety issues for the depot. Mr Maddock said that he would get back to him on this.

(c) Councillor Kane mentioned that Councillor Bedford had asked that the Communities Select Committee be informed of the one for one match funding for

sprinklers mentioned at the last meeting. Had they been told as yet? Mr Maddock said that he would check up on this.

53. DECLARATIONS OF INTEREST

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

54. TERMS OF REFERENCE AND WORK PROGRAMME**Terms of Reference**

The Committee noted their Terms of Reference.

Work Programme

It was noted that the Directorates Business Plan will be going to the first meeting in the new municipal year.

Item 14 – Review of Risk Management arrangements – this will go to the July 2017 meeting.

Item 17 – Shared Services Working – this was still to be arrange and should go to the July 2017 meeting.

The Chairman noted that with the new items being added to the July meeting, the item on Sickness Absences may have to be moved to another meeting.

55. KEY PERFORMANCE INDICATORS 2017/18 - REVIEW AND TARGETS

The Assistant Director (Accountancy) introduced the report on the proposed targets for next years Key Performance Indicators (2017/18). It was noted that the adoption of challenging but achievable KPIs each year was an important element of the Council's Performance Management Framework, and the KPI set is reviewed annually by Management Board to ensure the indicators and their targets are appropriate to provide challenge in the Council's key areas and to meet its objectives.

The provisional target for each indicator has been identified by service directors and relevant portfolio holder(s), based on third-quarter performance (and the estimated outturn position) for the current year. Management Board will review the provisional targets against outturn data for 2016/17 when this becomes available, and any revisions to next year's targets will be reported to the appropriate select committees in June 2017.

The review of the KPIs which fall within the areas of responsibility of the Resources Select Committee has resulted in the proposal that the target for 3 indicators was increased, and that 3 indicators are deleted.

Councillor Bedford asked about RES005 (processing of new claims), could that target be reduced to just under three weeks. Mr Maddock said that we did sort out a lot of the claims under this target, but they did get a few that tended to take longer which brought up the average. Councillor Bedford asked if we could simplify the forms to make them easier to fill in. Mr Maddock said he would investigate to see if there was a problem.

The Committee noted that:

RES001- *how many working days did we lose due to sickness absence* – had a reduction in target.

RES003 – *what % of the district's annual Council Tax was collected* – had an increase in its target.

RES005 – *on average, how many days did it take us to process new benefit claims* – had a decrease in its target.

The following targets have been designated to be deleted:

RES009 – are customer needs being met by the Corporate Website being available;

RES010 – are customer needs being met by the corporate website not having broken links; and

RES011 – are customer needs being met by the main Corporate Website having effective navigation.

RESOLVED:

That the Select Committee reviewed and agreed the proposed key performance indicator set and targets for 2017/18 for those areas which fell within its areas of responsibility.

56. QUARTERLY FINANCIAL MONITORING

The Assistant Director (Accountancy) introduced the financial monitoring report for the third quarter of 2016/17. The report covered the period from 1 April 2016 to 31 December 2016. The reports were based on which directorate was responsible for delivering the services to which the budgets related and the budgets themselves were the Revised Estimate.

Revenue Budgets

It was noted that:

- The salaries schedule showed an underspend of £148,000 or 0.9%. At the third quarter last year the underspend was 1.8%;
- Neighbourhoods was showing the largest underspend of £64,000, this relates mainly to Forward Planning and Grounds Maintenance;
- Resources showed an underspend of £59,000 relating to Revenues and Housing Benefits;
- The investment interest was a little lower than the budget partly due to a delay in the payment from Biffa for the loan;
- Development Control income at Month 9 was continuing the recent upward trend. Fees and charges were £59,000 higher than the budget to date and pre-application charges were in line with the updated position;
- Building Control income was £6,000 lower than the budgeted figure at the end of the third quarter. By the end of month 11 income was only £1,000 down;

- Although Public Hire licence income and other licensing was above expectations, the Public Hire figures shown include £27,000 relating to future years so in reality income relating to 2016/17 was £7,000 down;
- Income from MOT's carried out by Fleet Operations was £9,000 below expectations. Income had been affected by the uncertainty around the relocation to Oakwood Hill;
- Car parking income was £14,000 below the estimate as at month 9. However there was some income relating to this period that was not received until February;
- Local Land Charge income was £1,000 above expectations;
- Expenditure and income relating to Bed and Breakfast placements was on the increase; and
- The Housing Repairs Fund showed an underspend of £510,000. There were underspends showing on both Planned Maintenance and Voids work.

Business Rates:

It was noted that:

- This was the fourth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected were retained by the Council; and
- For 2016/17 the funding retained by the authority after allowing for the Collection Fund deficit from 2015/16 was £3,435,000. This exceeded the government baseline of £3,050,000 by some £385,000. The actual position for 2016/17 will not be determined until May 2017.

Tables for capital expenditure monitoring were appended to the main report along with major capital schemes.

With regard to revenue, income was generally up on expectations and expenditure down. The increased income levels are very much welcome, in particular Development Control income. Expenditure being below budget was not surprising as expenditure was usually heaviest in the last quarter.

Councillor Kane asked about uncertainty around the MOTs and the relocation to Oakwood Hill. Mr Maddock said that the move to Oakwood Hill proved to be quite expensive including the cost of security for the depot. When more services moved into Oakwood Hill, this should bring the costs down.

Councillor Lion asked about the delay in Biffa paying us back. He was told that it was Biffa who were late in billing us, which worked out in our favour.

Councillor Jon Whitehouse asked about the credits for the recycling income which was low when compared to expectations. Mr Maddock said that prices for recycling have now gone up and that the new receipts would now offset some of this.

Councillor Kane asked about the recycling income. Mr Maddock explained that officers were in negotiations with Biffa with regards to the quality of recycling and as a result more money was given by the Cabinet. For recycling credits, we were in the hands of the County for this, but will catch up by the end of the year.

Councillor Bedford asked about Oakwood Hill and if there was any prospect of partnering up with another authority such as Waltham Forest. Councillor Lion said that was the intent when they moved. Mr Maddock said that he would look into this.

Councillor Kane wanted to know how many people we put into Bed and Breakfast accommodation as they were reported to be on the increase. Mr Maddock said he would find out the average numbers.

Councillor Bedford asked if we were still in negotiations with Zinc at Ongar for us to use their spare rooms. He was told that we were still talking to them. Councillor Lion said the Cabinet had also recently agreed to house people in 'housing pods'. Mr Maddock added that we had got extra funding of about £¼ million for this.

RESOLVED:

That the Committee noted and commented on the revenue and capital financial monitoring report for the third quarter of 2016/17.

57. INFORMATION AND COMMUNICATION TECHNOLOGY UPDATE

The Assistant Director (ICT & Facilities Management), Mr Newton introduced the report on the progress of projects within the ICT strategy. Last year 91% of projects were completed on time. This year had seen ICT concentrating on strengthening the resilience of both systems and infrastructure with a number of key systems being out hosted.

As this existing strategy nears completion, work has already started on the next round of the ICT Strategy 2018/2023 which will be presented to Cabinet in due course. Cloud based options for both systems and infrastructure are already featuring heavily.

In the near future, most software products will only be available via subscription payments. Historically, software had been purchased outright from capital but this change in supplier behaviour would necessitate a switch to revenue expenditure.

It was noted that:

- The majority of desk top printers had been replaced with 26 high performance multi-Functional Devices;
- We have now two Unmanned Aerial Vehicles (UAV) purchased under the invest to save scheme. At present we only have one Civil Aviation Authority (CAA) qualified pilot; another staff member will be qualified shortly. First flight had already taken place for Planning Enforcement. Requests have also been received from Housing and external organisations for hiring the UAV;
- The website was now completely out hosted to an external site and all phone calls are carried over the internet;
- Modern.Gov has now also been out hosted, which proved problematic at first, the system is now stable;
- GOOD was now part of Blackberry who had introduced faster response times and other minor improvements;
- New storage solutions have been implemented successfully, with an increase in disk space to 9 Terabytes;
- The E-Financial system had now been upgraded; and
- The security devices and appliances used by ICT were now in place.

Councillor Dorrell said that the problems with Modern.Gov went on for a long time; would we get any credit for this? Mr Newton said that we were in dispute with them about this and that we were not aware of any credits for this at present. Our hosting was ultimately of benefit but getting there was sometimes painful.

Councillor H Whitbread asked if we could commercially hire the drone (UAV) services. Mr Newton said he would welcome it; we already had the Forestry Commission approach us to do a count of deer. We were happy to work with outside agencies, but we have not promoted our services as yet, but will do it soon. Councillor Lion added that he was not sure that we had a commercial package in place and if we could make a profit. Mr Maddock said that he did not see any issues with hiring out our services for the times when we were not using it; but we could not deliberately go out to make money.

Councillor Patel asked about the business contingency plans and were they detailed enough so that anyone could follow them in an emergency. Mr Newton said that they were fairly easy to pick up. Next year the email system will be hosted in the cloud.

Councillor Patel asked about the replacement printers. Mr Newton said that we only had 15 desktop printers in place from the 140 we used to have. The MFDs were now in place. Councillor Bedford asked if we had bought them or were they under contract. He was told that we had a contract with Xerox. Councillor Lion asked if Members would be trained on the use of the MFDs. Mr Newton said he would arrange something for the Members.

RESOLVED:

That the progress on ICT projects during 2016/2017 were noted by the Select Committee.

58. TELEPHONE MONITORING STATISTICS

The Assistant Director (ICT & Facilities Management), Mr Newton, introduced the report on the monitoring statistics covering the period April 2016 to January 2017. The Committee noted that from 1 April 2016 to 31 January 2017 there were 27,210 calls on average per month to the Council of which 4.6% were abandoned and 7.2% went to voicemail. In the last year the number of calls had dropped by 3,000 per month from the year before, mainly due to the stabilisation of the waste contract. Abandoned calls had dropped from 7.9% to 4.6%.

It was noted that the Head of Customer Services was now in place and the restructuring of some customer facing services had commenced. Consequently, the telephone workgroups currently reported on were unlikely to remain in their existing design from April 2017. It was anticipated that the next telephone monitoring statistics report to the Resources Select Committee would explain these changes and suggest alternatives to the current reporting format.

Councillor D Roberts asked how many voicemails had been actioned. Mr Newton said at present we could not monitor how many calls were responded to. Officers were currently looking to see if they could find out if they were opened. Councillor Bedford asked if it could be done by the time stamp, as we needed some way of measuring it. Councillor Patel added that we would like to know how quickly voicemails were actioned.

Councillor Whitehouse asked how many telephone calls there were compared to the number of emails. Mr Newton said that telephone calls and emails are both very popular. Emails might be more popular and he would bring back some statistics on this. There will be big changes to the website in the future and there will also be access to various forms on line. This would also contribute to fewer telephone calls. Forms filled in on line go straight to the back office systems.

Councillor Lion noted that the Customer Services Manager was looking at ways to monitor emails. Online forms can be measured and hopefully voicemails will also go down as the new Customer Services Section starts up.

RESOLVED:

That the telephone monitoring statistics for April 2016 to January 2017 be noted.

59. AGENCY STAFF AND CONSULTANCY

Mr Maddock introduced the report on the cost of consultants and agency staff for 2015/16 and to the end of February 2017. The Council on occasions needed to employ people either on a temporary basis or for a particular project. The former situation could be for peaks in workload or to cover maternity or long term sickness. The latter is for short term specific projects when the expertise does not exist in house and to employ someone for such a short term was impractical.

Such expenditure was recorded on the Council's finance system such that it was easily identifiable. However a reasonableness check has also been carried out to make sure that as far as possible the amounts recorded meet either the definition of an Agency worker or a consultant.

From the new tax year there were new arrangements regarding the accounting for tax and national insurance that may apply to some of our contracts. Information was given on what these changes were and how it was established whether a particular contract was affected by the changes. The legislation was referred to as Intermediaries Legislation (IR35).

IR35 was introduced in April 2000 to combat disguised employment. It stopped permanent employees leaving their employment one day and returning to their desks the next day as a limited company contractor and gaining the tax and benefits of running their own limited company.

Currently these changes apply only where the client was a public body.

From the 6 April 2017 the public sector will have responsibility for deciding whether an individual who was personally providing a service falls in or out of scope of IR35; and in certain circumstances liable for deducting tax and National Insurance Contributions (NICs) at source. Before this, this responsibility fell to the individual themselves.

Councillor Patel asked if agencies and consultants were employed on a project by project basis or at a daily rate. Mr Maddock said that a lot of them were on a daily rate, usually to cover a gap in staff, when management could not recruit immediately.

Councillor Patel then asked if we stipulated an end date and the amount of work to be done. He was told that agency staff had set dates; for consultants engaged for a piece of work, it was up to them how long they took.

Councillor C Roberts asked about any problems with staff retention. Mr Maddock said there were some, but in specific areas, such as forward planning, planning and building control. This was due in part with our closeness to London and Harlow. Councillor Kane added that at the end of the day it came down to salaries.

Councillor Whitehouse said that temporary contracts also came into this mix. The Local Plan was originally a short term project; but, when did it change to a long term one. Councillor Lion said that the Assistant Director (Human Resources) would be looking into this and how we would operate in the future.

Councillor Kane noting the IR35 legislation said that the new way of working could mean that that new contractors could walk away. Mr Maddock said that the Assistant Director (Human Resources) was looking into this and was also seeking some legal advice. Councillor Kane asked that the outcome for this be reported back to the Committee when available. This was agreed.

RESOLVED:

- (1) That the Select Committee noted the report on agency staff and consultancy;
- (2) That an updating report be brought back when further information was available.

60. 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.

61. FUTURE MEETINGS

The meeting noted the extra meeting scheduled for 10 April 2017 and the date of future meetings in the new municipal year.