

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES  
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 17 NOVEMBER 2011**

Present: Councillor S Howell – Chairman.  
Councillors K Artus, A Dean, K Eden, D Jones, E Oliver and E Parr.

Also present: Councillor J Ketteridge (Leader) and Councillor R Chambers  
(Executive Member – Finance).

Officers in attendance: J Mitchell (Chief Executive), R Auty (Assistant Director  
Corporate Services), S Bronson (Internal Audit Manager), R Procter  
(Democratic Services Officer) and A Webb (Director of Corporate  
Services).

**PA29 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Cllr A Ketteridge.

*Councillor Chambers declared an interest as a member of Essex County  
Council and Essex Fire Authority.*

**PA30 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 29 September 2011 were received. Councillor Dean said with regard to minute PA23, that he had raised at both the previous meetings a point regarding the performance of the benefits service, which on neither occasion had been recorded in the published minutes, although it had been noted in the handwritten minutes. He was dissatisfied with what he considered to be the selective nature of the minutes, particularly as he had been advised that the Chief Executive was involved in approving the content. In his view, it was inappropriate that the Chief Executive should be involved in deciding what was included in the minutes, since the remit of this committee included the monitoring of the Chief Executive's work, and he suggested that this practice be reconsidered.

The Chairman said whilst he was content that Councillor Dean's comments be recorded, it was not within the remit of the committee to question how minutes were prepared.

The minutes were approved and signed as a correct record.

**PA31 MATTERS ARISING**

**(i) Minute PA24 – Draft Statement of Accounts**

The Chairman asked for an update on the Landsbanki judgment. The Chief Executive said the Supreme Court in Iceland had confirmed that the test case

local authorities were preferential creditors. An announcement was expected tomorrow that the decision would apply to all local authorities which had invested money in Iceland, and it was likely that 98% of the amount invested would be recovered.

**(ii) Minute PA26 – Quarter 1 Corporate Risk Register 2011/12**

The Assistant Director Corporate Services said the Audit Commission had offered to give an update on future plans to the Committee at its February meeting.

**(iii) Minute PA28 – Audited Statutory Accounts 2010/11**

The Chairman said that he had omitted to make a declaration of his interest as an employee of May Gurney Ltd, which acted for the Council on the collection of waste electrical and electronic equipment; and he now did so in relation to this item.

PA32

**INTERNAL AUDIT PROGRESS REPORT**

The Committee considered the report of the Internal Audit Manager on details of work undertaken by Internal Audit since 1 February 2011. The report gave an update on implemented and outstanding internal audit recommendations.

The Internal Audit Manager said there were two risk level 3 and 4 recommendations, relating to corporate health and safety and to housing strategy. She said the number of audit days available to the team in quarters 1 and 2 had been reduced by a higher than expected level of non-specific audit work and resource availability, and therefore the programme of work for quarters 3 and 4 had been revised. Priority had been given to ensuring completion of the key financial audits. She drew members' attention to the conclusion of the report that there were no risk level 3 or 4 highest priority recommendations expected to be implemented between 6 August to 4 November 2011; and that at this last date all previously agreed recommendations had been implemented in accordance with their agreed due dates.

The Chairman said this was a pleasing conclusion.

In reply to a question from Councillor Dean about the process by which members would receive updated internal audit information, the Internal Audit Manager said finalised reports were forwarded to members and placed on the intranet. The reports set out any highest risk level recommendations. The Chairman said the current practice for informing members of the committee worked well, and suggested it be continued.

Regarding the risk level 3 recommendation for housing strategy, Councillor Dean asked what form any contingency measure would take.

The Internal Audit Manager said the recommendation was for analysis to identify risks and contingency measures such as resources within the housing strategy. She explained that the format of internal audit final reports reflected the intention of the previous Performance Select Committee to reduce the amount of information brought before the committee, but that additional information was available to any member on request.

Councillor Dean said corporate risk management was one of the key risk areas, assessment of which should not be deferred until next year. The Internal Audit Manager said it was too early to say whether there would be capacity to address this area by the end of the year, but that it would certainly be given priority early in the following year.

PA33

## **QUARTER 2 PERFORMANCE 2011/12**

The Committee considered the report of the Assistant Director Corporate Services setting out key performance indicators and performance indicators for quarter 2 of 2011/12. The report included two responses from the relevant Cabinet members following concerns expressed by the committee during the review of the quarter 1 performance.

The Chairman thanked Councillor Chambers as the Executive Member for Finance for his response regarding accuracy of processing benefits claims. This response was informative and Councillor Howell was pleased to see there had been an improvement of performance in the period and that management were addressing this area as a priority.

Regarding KPI02 (customer satisfaction with services), Councillor Dean said he found this a very broad brush indicator, and wondered what its specific value was.

The Assistant Director Corporate Services said this was the first time the committee had received this indicator, which whilst it was a 'broad brush' gauge provided the committee with more information than it had had previously. He would be happy to provide a breakdown of areas of customer dissatisfaction.

Councillor Artus said this was a fairly meaningless indicator, as a target of for example 79% for satisfaction was not particularly high, whereas 21% dissatisfaction would be very high.

The Chairman agreed that customer satisfaction was notoriously difficult to quantify as it was usually very subjective. However, the aim here was to measure underlying trends, and he asked that at the next meeting a breakdown of this indicator be provided.

Members noted that the responses for the customer satisfaction indicator were drawn from surveys completed by the Uttlesford Citizens' Panel, and that the panel was intended to represent a cross-section of the District's population. It was noted that one third of the panel was refreshed after they had participated in three or four surveys, and that this process was currently taking place.

Regarding KPI 07 (average number of sickness days per employee per annum), the Chairman asked whether there could be some value in establishing what percentage of staff rotated in a 12 month period, as this was a possible indicator of morale.

Councillor Chambers said including the figures for long-term sickness could distort the figures, and it would also be helpful to see the numbers excluding this element. The Assistant Director Corporate Services said the narrative for this indicator would in future include the information requested.

In reply to a question, officers confirmed that the council provided employees with access to an occupational health service.

Regarding the response of the Executive Member for the Environment on KPI 15 (number of return visits to collect bins that had been missed on the first visit), Councillor Howell noted the comments, but noted also the deterioration of the numbers in October. He said the committee would note that this measure continued to be a 'red' item, and that it would wish to see further improvement, as it did not wish to see any 'red' items on its indicators.

Regarding KPI 06 (time taken to process housing benefit/council tax benefit), Councillor Dean asked a number of questions. He asked what was meant by the time taken to process the benefit, and sought clarification of how the indicator was calculated.

Councillor Chambers said following a difficult period when a number of benefits service staff had left, that every effort was now being made to get benefit payments as quickly as possible to claimants.

The Director of Corporate Services said time taken to process was defined as the time elapsed between receipt of the claim and the decision in relation to it being recorded. He confirmed the time when notification to the person making the claim was sent out as being the same time as the decision was recorded. He explained in detail the calculation of the days taken, which in the report was given as an average of 9.3 days.

The Chairman said it was not the remit of the committee to drill down into the processing of any individual claim but to identify underlying trends to see collectively how the organisation was performing.

Councillor Dean agreed in part with this analysis, but said it was his view that the committee should question whether the measures the council was taking were the right ones. He asked whether the council had a statement of performance aims which it supplied to claimants.

Councillor Chambers thanked Councillor Howell for stating that the committee could not look into individual cases. He said it depended on the complexity of the case, and the assessment of performance had to aim to improve the service. Some cases were more complex than others, and took much longer, and avoiding or detecting fraudulent claims was an important aspect of benefits claims processing. It was important that during the forthcoming challenging period the right money should go to the right people.

The Leader said it was important not to forget that this indicator was inextricably linked to KPI 04, accuracy of processing, which the council had been working hard to improve with some success. He wished to stress that getting it right first time was very important.

The Director of Corporate Services agreed, and said that in October 2011 accuracy was now up to 98.8%, the highest since the third quarter of 2006/07. Time taken to process claims was then 14.7 days, so now the council's processing time and accuracy figures combined were better. It was also significant to note that October was the busiest time since March. It was right that these indicators should not be looked at in isolation.

Councillor Dean referred to the website of another council which stated claimants would receive benefits to which they were entitled within 7 days. He said he was aware of other difficulties encountered by some people in having their benefits claims dealt with by this council, which he would like to discuss with Councillor Chambers outside the meeting.

Councillor Howell said the Performance and Audit Committee was not here to set policy for the council. Executive Members would be happy to hear from any councillor, and it was not for this committee to charge any cabinet member or councillor to do anything on its behalf, or to guide any cabinet member on delivery of a service.

Councillor Dean said the committee could ask for new measures.

Councillor Howell said if the committee was not happy with the responses of cabinet members it could make suggestions, but should not attempt to "micromanage" the council's operations.

The Chief Executive referred to the terms of reference of the committee which stated that it could make reports and recommendations to the council as a whole on its performance management and corporate governance as appropriate, and said it was therefore evident that the committee must look at performance in the round.

Councillor Howell said this had been an interesting discussion but that he wished now to move on to consider performance indicators. Regarding PI14 (homelessness), he wished to express the committee's concern that in a year the number of those presenting as homeless had doubled.

Councillor Chambers said he had taken the measure of putting more money in the budget for dealing with homelessness.

In reply to a question from Councillor Oliver, the Chief Executive said there was no relationship between homelessness and the presence of Stansted Airport in the district. All homelessness in Uttlesford was self-generated.

Councillor Howell referred to PI 24 (planning appeals allowed), and asked about costs imposed on the council. The Chief Executive replied that costs in planning appeals were only awarded in exceptional cases where there had been unreasonable behaviour. There had only been two instances against the council in recent years; and in the case of an appeal regarding Linton wind farm, costs had been awarded in the council's favour.

Councillor Eden said the Planning Committee was very aware of costs. The inspector seemed now to be interpreting the rules differently, and members were monitoring this closely.

Councillor Dean asked for clarification of PI 09 (annual reduction in business mileage by 5%). The Assistant Director Corporate Services said this was a cumulative figure. The Chief Executive said consultation on a travel plan for staff and members was about to take place.

Councillor Dean questioned the value of having indicators that only reported annually as once the results were known it was too late to do anything about it in that financial year.

Councillor Howell said before changing the terms of reference of performance indicators it was necessary to be sure how useful such a change would be. He said he would assess with the lead officer whether there was value in doing so for certain indicators.

PA34

## **QUARTER 2 CORPORATE AND STRATEGIC RISK REGISTER 2011/12**

The committee considered the report of the Assistant Director Corporate Services on the Corporate and Strategic Risk Register as at the end of quarter 2 2011/12.

Councillor Howell said the form of the report was excellent, signifying an improvement on the risk register that the committee had received before. Linking the report to the corporate plan was useful, and he felt these indicators were much more appropriate for the organisation.

Regarding 12-CR-ENV-01 (Affordable Housing), and the mitigating actions noted against this risk, Councillor Dean suggested that strong political leadership could be demonstrated if the relevant cabinet member were to take part in the various meetings currently taking place between the district and many parish councils.

Regarding 12-CR-ENV-03 (lack of public engagement in recycling scheme), Councillor Dean said he had carried out a survey in Stansted Mountfitchet, which showed that approximately 68% of those who currently used the village green skips would not be able to use the wheeled bin green waste system because the bins were not large enough. Of those using the present service a small proportion would be willing to subscribe. He considered there would be a major challenge in implementing the scheme, and that this risk would change from amber to red.

Councillor Howell said he was content that the responsibility of the committee was to ensure that it addressed whether a risk was correctly measured and that appropriate mitigating actions were in place. Individuals prepared the risk register, and inevitably everyone had slightly different views, but it was right for those individuals to use their judgment. He was happy that this was an accurate assessment of current and potential risks and how these would be addressed.

The Leader said there was clearly going to be a radical change in waste collection and that he was as confident as he could be that officers had everything in hand to make this process a success. He had a high degree of confidence that the council would deliver a successful outcome.

Councillor Chambers said this area was one which it was useful for the committee to look at. Certain risks had been assigned a red light, and in particular risks such as 12-CR-FIN 02 (external factors) were potentially alarming. However, because this council was prudent it was one of the few councils to have a good Medium Term Financial Strategy. The council was continuing to make efficiency savings, so its mitigating actions were very good.

Councillor Howell said he endorsed these points. This committee's role was to ensure robust risk management was in place. He was content this was an accurate assessment of risks and that appropriate measures to mitigate were set out. It was not possible to eliminate all risk, but it was about ensuring appropriate contingencies.

Regarding 12-CR-FIN 01 (insufficient progress on workstreams), Councillor Dean questioned progress being made against strategic savings in terms of the revenues and benefits partnership.

Councillor Howell repeated his assertion that the role of this committee was to monitor rather than to question the detail of corporate risks.

Councillor Eden said he endorsed the comments of Councillor Chambers. The corporate and strategic risk register would be good achievement for a large organisation; but was excellent for a small one.

The Leader said he hoped as many members as possible would attend a briefing on 21 November which would provide members with an opportunity to ask questions on savings workstreams.

Councillor Dean said he took the view that members should monitor the risk register. He had asked a question on the revenues and benefits partnership, regarding which he had noticed a recent meeting of the Joint Partnership Committee had been cancelled. He would like to ask the reason for this cancellation.

The Director of Corporate Services observed that the risk of insufficient progress against savings targets had a current likelihood score of only 1 against a target risk likelihood of 1. There were three workstreams which were being progressed which if delivered would achieve £700,000 of the £1 million savings. Regarding the revenues and benefits partnership, he gave a brief update. He said tenders for the ICT contract had been opened and whilst the process was in general on track, it had fallen two weeks behind as one of the tenderers had not been available to give a demonstration at the same time as the other two suppliers. It was expected that the contract would be awarded by 19 December 2011.

Councillor Chambers offered to discuss strategic solutions with any member outside the meeting if they wished. He said the revised corporate and strategic risk register was an excellent report. The Chairman agreed that the committee's appreciation of the revised corporate and strategic risk register should be recorded in the minutes.

The meeting ended at 8.40pm.