

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 16 MAY 2013**

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

Also present: Councillors J Ketteridge.

Officers in attendance: J Mitchell (Chief Executive), R Auty (Assistant
Director Corporate Services), S Bronson (Internal Audit
Manager), M Cox (Democratic Services Officer), S Joyce
(Assistant Chief Executive – Finance), R Harborough (Director of
Public Services) and A Taylor (Assistant Director Planning and
Building Control).

PA47 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillor Parr.

The Chairman announced that Emma Patchett, District Auditor (Ernst and
Young LLP) who had dealt with Uttlesford for a number of years had
moved elsewhere within the organisation and would be replaced by Jo
Wardle.

The Chairman made a non –pecuniary declaration in relation to his wife,
who made an annual purchase of a sheep from Jo Wardle’s husband.

PA48 MINUTES

The minutes of the meeting held on 12 February 2013 were signed by the
Chairman as a correct record.

PA49 ANNUAL AUDIT FEE LETTER 2013/14

The Committee received the Annual Audit Fee letter 2013/14 prepared by
Ernst and Young. It confirmed the audit work proposed for the 2013/14
financial year and the corresponding audit fee. The Committee was
pleased to note that the planned fee was the same as in 2012/13, a 40%
reduction on the fees in 2011/12.

The report was noted.

PA50

ANNUAL GOVERNANCE STATEMENT 2012/13

The Committee considered the Annual Governance Statement as at 2012/13, this would complement the council's financial accounts as at March 2013. It updated the previous year's statement to reflect the operation of the council during 2012/13.

Councillor Dean made the following comments, which were noted by the Committee.

3.8 – 3.9 He felt that the use of the word 'robust' was over egging the position, as he did not consider that the Audit Committee probed adequately beneath the surface.

3.10 This section did not mention that the Council had lost an appeal at a 1st tier tribunal which had been brought by one of the Council members against a decision of the Standards Committee. This was significant and should be recorded.

3.17 He suggested it should be acknowledged that there was significant public disquiet about Council communication during the LDF process.

The Chairman referred to point 3.9 and confirmed that the Performance and Audit Committee could call on any Cabinet member at short notice, to question a decision.

He said he was pleased at the introduction of U perform for all Council staff.

The Committee noted the report.

PA51

INTERNAL AUDIT ANNUAL REPORT AND OPINION 2012/13

The Committee received a report from the Internal Audit Manager on the work carried out by Internal Audit during 2012/13 and an overall opinion on the council's control environment for 2012/13. The report concluded that the risks material to the achievement of the objectives for the audited areas identified by Internal Audit were, on balance, adequately managed and controlled.

The report was noted.

PA52

INTERNAL AUDIT PROGRESS REPORT

The Committee received a report on the work undertaken by Internal Audit since the last meeting. It provided an update on implemented and outstanding internal audit recommendations.

The Chairman drew attention to the street services audit and the monitoring of oil stock levels at the Shire Hill and Dunmow Depots and the reference to how these were measured. The Chairman felt that the existing method was not fit for purpose, and was concerned that if the usage was not recorded accurately it would not be possible to highlight any wastage. He requested that priority being given to investigating the feasibility of purchasing replacement tanks be reviewed.

The Committee noted the report.

PA53

PERFORMANCE AND AUDIT COMMITTEE SELF ASSESSMENT

The committee noted the self - assessment that had been undertaken for the work of the committee for 2012/13. This was to ensure that the committee was fulfilling its audit functions for the Council in accordance with the guidelines provided by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Previous year's self- assessments had been undertaken by the Chairman. This year other members of the Committee had been invited to take part in the exercise and the Chairman thanked Councillors Eden and Oliver for their assistance with this process.

The report set out a summary of the self-assessment with comments to evidence responses to each question. The Committee had achieved a 92% positive response, and the 5 negative responses were in areas not considered to have a critical impact on the Committee's performance.

Councillor Dean listed a number of questions in the document that had been listed as yes but where he considered the answer should be no. These were as follows:-

1(b) (iv) –Are new audit members provided with an appropriate induction?

He commented that the only training in the past two years was for new members of the council as part of a general induction to the council.

1(b) (v) – Have all members' skills and experience been assessed and training given for identified gaps?

He had never been asked what his skills and experiences were .No training has been offered

2 (v) Has the audit committee considered how it integrates with other committees that may have responsibility for risk management?

It appeared that this was the only committee that considered the risk register. It would be good practise for it to be considered by all committees.

3 (ii) Does the audit committee consider specifically...large write offs.

The recent large business rate write- off had not been considered by the committee.

4(v) Does the audit committee hold periodic private discussions with the Head of Internal Audit?

This was not current practise but it should be.

4(vi) Has the Audit Committee considered the information it wishes to receive from Internal Audit?

He had asked for evidence of the underlying performance of the benefits service in 2012 and this had been denied by the chairman of the committee.

5(ii) Does the Audit Committee hold periodic private discussions with the external auditor?

The committee does not meet privately with the External Auditor

6 (a) (iv) Are the inputs for any other business formally requested in advance from committee members relevant officers, internal and external audit?

This practise does not occur

6(b) (ii) Does the Audit Committee issue guidelines or pro-forma concerning the format and content of the papers to be presented

He was not aware of any guidelines or pro forma.

Councillor Dean concluded that on the basis of the matters raised above, he could not support the findings of the report.

The Chairman said that the meeting regarding the self-assessment had been advertised well in advance and Councillor Dean had the opportunity to attend. The input from the other two members had been useful.

Responding to the points made by Councillor Dean, the Chairman said that the process had identified areas where the Committee could benefit from a slightly different approach. He would like to see training for the Committee going forward and asked officers to prepare a training programme. He also thought it would be good practise for the committee to have private discussions with the internal and external audit and this would be introduced going forward.

He also mentioned that the risk register was reviewed by the CMT every quarter which ensured that any risk issues would be brought to the attention of the Council.

The Assistant Chief Executive – Finance confirmed that write offs were part of the Audit Process and considered in the context of approving the statement of accounts. The write off referred to by Councillor Dean would be in next year's accounts and the committee would have the opportunity to consider its August and September meetings.

Councillor Eden said that through the self-assessment process improvements had been detailed and identified. Any improvements not implemented would be highlighted in the next year's self-assessment.

Councillor Dean said that his requests for items to be included on the agenda had been denied by the Chairman. He considered that this committee was not operating properly as an audit committee and stated that he would resign from the Committee until such time as his concerns had been addressed.

The Committee noted the outcome of the Performance and Audit self-assessment 2012/13.

PA54

QUARTER 3 PERFORMANCE 2012/13

The committee considered the report which set out the key performance indicators and performance indicators for Q4 of 2012/13 and the annual report for all indicators.

The Chairman was pleased to see significant improvements in a number of areas over the year, particularly in council tax and housing benefit administration, void properties and rent collection.

i) KPI 11,12,13,15 and PI 30 - Processing of Planning Applications

The Assistant Director Planning and Building Control attended the meeting for this item. Since the last meeting there had been steady progress and the key indicator targets had been met in Q4, although the year end figure was below target. He explained the significance of the validation process (indicator PI30), as this was the start of the process and would have a knock on effect on the other indicators. Work was continuing to improve performance in this area.

The Chairman asked if the new practices were now embedded and as a result the level of performance would continue. The Assistant Director replied that the new structure was in place and there had been an increase in the speed of processing but there were still improvements to be made. There were also some matters that were outside his control but he felt there had been an important change in the working ethos of the department.

In relation to the validation process, Councillor Dean asked how long it had taken to process the 68% of applications which had not been validated within the 3 day target. He was informed that the average processing time in 2012/13 was 5.3 days. The Assistant Director explained that the process for validating applications was detailed and lengthy, particularly with major applications which could take 2 solid days to process. If any of the statutory deadlines were missed there was a knock on effect on the time available to determine the application at the end of the process. He was pleased to inform the committee that so far for this quarter the percentage of validations within target had increased to 58%.

Members were assured that sufficient resources had been made available to deal with the recent influx of large applications.

In answer to a question about the number of outstanding planning applications, members were informed that the main problems in this area had been addressed.

The Chairman said he was aware of the volume and complexity of the work in the department and appreciated that the improvement in performance had been a real challenge. He commended the Assistant Director and his team for the hard work that had gone into achieving these improvements.

ii) KPI 15 – Number of return visits to collect missed bins

It was noted that the number of missed bins for this quarter had decreased from 127 the previous quarter to 83 per 100,000 collections (target 50). The annual figure was 99 which reflected the impact of the change to the single pass system. The chairman said that although there had been an improvement this was not to the level that he was hoping for.

The Director of Public Services said that the number of missed bins was gradually coming down but there were still issues to address. There was a requirement for better quality data, as currently the figures included missed bins that could not be accessed/collected by the crews. The in cab technology had not yet been implemented as resources had been concentrated on operational issues. It was expected to show an improvement in performance in the autumn. U perform was being rolled out across the workforce, the start of a long term plan to engage with staff and improve performance.

Councillor Dean appreciated that the new 4 day week meant a long day for the crews and questioned whether the loaders were reluctant to go the extra mile to collect bins in cases where the access to the properties had been obstructed by parked cars. The Director of Public Services said that when the 4 day week had been introduced the rounds had taken longer than expected but as crews had become more familiar with the new collection arrangements, this was no longer an issue. There were however problems with inconsiderate parking throughout the district which was another area to be addressed.

The Chairman asked if there were problems were with a particular round and whether these could be identified. The Director of Public Services said that more consistent information was required but initial investigations on a round/day basis showed a random spread of incidents, which made it more difficult to find a solution. The Chairman said he understood the difficulties of introducing a new system, but he would like to see this matter solved as this was the Council's most high profile service. He asked for a programme of action to be prepared for the next meeting.

iii) KP09 - number of accidents that are reported under RIDDOR

The Director of Public Services confirmed that spot checks of working practises were being carried out for refuse/recycling crews on a weekly basis.

iv) KPI 14 – percentage of household waste sent for reuse, recycling and composting

The percentage of household waste sent for re-use, recycling and composting had increased from 50.76% for Q4 2011/12 to 56.18% in Q4

2012/13. Members commented that this could be partly attributed to the introduction of the kerbside glass collection. However the Leader reminded members that before the kerbside glass collection was introduced, glass was collected in bottle banks and this was included in the overall recycling figure. Therefore, although kerbside collection might have slightly increased the quantity of glass collected, it was probably not a significant contributory factor.

(v) PI 24 – Planning appeals allowed

Councillor Oliver asked if there was a difference in performance between major and minor applications and whether these categories should be shown separately. The Assistant Director Planning and Building Control explained that this indicator was a tool for officers to show the quality of decision making and to enable lessons to be learnt for the future. It was noted that there had recently been a number decisions on major planning applications, made by the Planning Committee, which had been lost on appeal. It was agreed that in future this indicator would be split into three, showing the number of appeals allowed for major, minor and other applications separately.

PA55

CORPORATE RISK REGISTER

The Assistant Director Corporate Services presented the Corporate Risk Register as at the end of Q4 2012/13.

i) External factors impact negatively on Council's finance (12-CR-FIN 02)

The Assistant Chief Executive – Finance explained the increase in the risk score for this indicator. There had been a hardening of the language from Government about what was in store for local government funding, with significant cuts expected from 2015. In the light of this there would be a review of the MTFs, looking at the underlying assumptions over a longer time period, to see what action could be taken to ensure the council's long term financial stability. A scenario planning exercise would be undertaken over the summer and a report made to Cabinet in the autumn.

ii) Affordable housing (12-CR-ENV-01)

Councillor Dean asked what was being done to ensure the adoption of the Local Plan. Councillor Ketteridge replied that the council was ready to move forward with the process as soon as the highways assessment had been completed. A further meeting had been arranged with ECC for the following week.

**iii) Risk of adverse impact from reform of Council Tax benefits
(12 –CR-PEO-03)**

It was explained that this area would remain a significant operational issue for the Council. There was a high likelihood of impact as the benefit changes would continue to have an adverse effect on a number of residents. However the council had put in measures to manage the impact, including the Local Council Tax Support Scheme, which met DCLG transition principles and the Discretionary Housing Payment Policy.

In answer to a question regarding the future of second homes discounts, members were informed that the Local Council Tax Support and Council Tax Discount Scheme for 2014/15 would be reviewed by the Cabinet in June with the final decision being made at the council meeting in December.

The meeting ended at 9.10pm.