

**PERFORMANCE AND AUDIT COMMITTEE held at COUNCIL OFFICES  
LONDON ROAD SAFFRON WALDEN at 7.30 pm on 21 NOVEMBER  
2013**

Present: Councillor S Howell – Chairman.  
Councillors K Artus, K Eden, M Felton, D Jones, A Ketteridge, E  
Oliver and J Parry.

Also present: Councillors R Chambers and J Cheetham.

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 Pridham (Head of Street  
Services), J Snares (Housing Needs and Landlord Services  
Manager) and A Webb (Director of Corporate Services).

Also present from Ernst & Young LLP – Debbie Hanson (Audit Director),  
Jo Wardle (Audit Manager).

**PA16 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Councillor J Ketteridge.

**PA17 MINUTES**

The minutes of the meeting held on 26 September 2013 were signed by  
the Chairman as a correct record.

**PA18 WELCOME**

The Chairman welcomed new members and officers to the Committee.  
With members agreement he said that he would take some of the items  
out of the order in which they appeared on the agenda.

**PA19 AUDIT COMMITTEE BRIEFING**

The Committee received an Audit Committee briefing report prepared by  
Ernst and Young. It highlighted issues that might have an impact on the  
Local Government sector and be of interest to the Committee.

The report was noted.

PA20

### **ANNUAL AUDIT LETTER 2012/13**

The Committee received the Annual Audit Letter, which summarised the key findings from the 2012/13 audit. The Audit Director explained that the purpose of the letter was to communicate to the members of UDC, external stakeholders and members of the public the key issues from the audit work.

The executive summary highlighted that the council had been given an unqualified auditor's opinion in relation its financial statements and Value for Money. The Audit Director explained that the audit completion certificate had been delayed due to an outstanding objection, but was expected to be issued shortly. She also highlighted that work on the council's housing benefit claim was still ongoing and the annual certification report would be issued on completion of the testing in December. In line with other authorities the council was having to deal with a greater number of complex cases in this area. A more detailed report would be made to the February meeting.

In answer to a question from Councillor Jones, the External Auditor explained that the outstanding objection was in relation to expenditure incurred during the Local Plan process. A response was currently being drafted. It was noted that the final audit fee was greater than the agreed scale fee, due to the additional charges incurred in dealing with the Local Plan objection and correspondence regarding the governance of this committee.

The report was noted.

PA21

### **QUARTER 2 PERFORMANCE 2013/14**

The Committee considered the report which set out the key performance indicators and performance indicators for Q2 of 2013/14.

**(i) PI 14b - the number of cases where positive intervention has prevented homelessness**

This introduction of this indicator had been supported at the August meeting when the Audit Director had suggested that the number of interventions could be recorded as a separate indicator, as this was an area that was within the Council's control.

The Chairman welcomed the Housing Needs and Landlord Services Manager who had been invited to the meeting to provide information about the types of homeless cases. She told the Committee that as a result of the economic situation and recent benefit changes she had noticed a trend of people contacting the council at a later stage when it was often too late to prevent a homeless situation. There had also been an increase in homelessness caused by domestic violence and the loss of private tenancies.

The aim of the intervention was to work with people to prevent homelessness. The team had been working very hard and had been dealing with an increased number of cases with more complex issues. The Corporate Management Team had recently approved a request to increase staffing and a new officer would be starting shortly as part of the prevention team. The Council was working to provide additional temporary accommodation and converting its own stock in order to ease the bed and breakfast situation.

Councillor Jones was concerned that the target in relation to the homelessness indicators had been lowered. He was advised that this was in recognition of the picture both nationally and locally as the austerity measures bite. The 2013/14 target would not be achievable, it was important to have challenging but also realistic targets.

Councillor Eden asked if it was possible to predict the homelessness figures for future quarters. The Housing Needs and Landlord Services Manager said that homelessness was not an exact science, but officers did look at the national trends from figures reported regularly from other authorities. The upward trend was expected to continue as previous experience showed that there was usually a time lag for initial difficulties to work through to a homeless situation.

Councillor Felton asked what happened to residents after their initial homeless application. It was explained that there were strict rules around a homeless classification. If the case was accepted the council had a duty to provide long term accommodation, often in council or Housing Association properties. Applicants were often placed in temporary accommodation whilst they were being assessed and if they did not qualify housing officers would provide assistance to find alternative accommodation.

The Chairman said he was reassured by the proactive action being taken by the Housing department, but understood the difficulties involved. He appreciated all the work being undertaken and asked the Housing Needs and Landlord Services Manager to pass on the Committee's thanks to the homelessness team.

**(ii) KPI 01– % of supplier invoices paid within 30 days of receipt by the Council and PI 02 average time to pay supplier invoices.**

Councillor Jones was concerned that in both cases the target for 2013/14 had been put lowered from the previous year. He said that UDC was an organisation which should have the processes to pay invoices in a timely manner particularly as delay could have a significant effect on small suppliers. The Assistant Chief Executive – Finance explained that most payment were made by bank transfer, the recent dip in performance had been mostly due to an isolated staffing issue, but action had been taken to address this.

**(iii) KPI 03 Percentage of non-domestic rates collected**

Councillor Jones asked why the target had been lowered for this indicator. The Assistant Chief Executive – Finance explained that this was to take account of the ongoing issue with the second largest business rate payer in the district. It was currently subject to a 6 month rent free period as an empty property, but after December 2013 recovery action would be taken if the rates had not been paid.

**(iv) KPI10 Rent collected as a percentage of the rent owed**

It was explained that the Q1 and Q2 indicator showed a percentage of over 100% because the figures also included income from collections outstanding from 2012/13. The Committee asked for the figures relating only to rent collected in 2013/14 in order to demonstrate that current performance was on track.

**(v) KPI 11,12,13,15 and PI 30 - Processing of Planning Applications**

The Chairman was pleased that following real concerns last year, a programme of action had been put in place and there was now clear and significant approval over all indicators. The Committee acknowledged the hard work that had gone into this progress. The Chief Executive said he would gladly pass these comments onto the staff concerned.

**(vi) KPI 15 – number of return visits to collect bins that have been missed on the first visit**

The Chairman stated that this indicator had remained solidly red since the new collection service had been introduced. Although the number of missed bins was a relatively low number he considered this to be a very important indicator for the authority.

At the request of the Chairman, the Head of Street Services had attended the meeting. He explained that after many years of experience in waste management he realised that after any service change it took a long time to get back to the original service levels. When the change was implemented in 2007/08 it had taken 4 years to return to the target of 40.

Since the most recent change a lot of work had already been done and he felt that the target of 50 missed bins was achievable. It was now a question of identifying and addressing any problems on a daily basis. As an example he gave the committee details of a typical day, when 6 missed bins had been recorded. When the reasons for each miss had been investigated, it had become clear that the main problem was communication between the different strands of the service. He would continue with this daily examination as it appeared to be useful to identifying problem areas.

In answer to the Chairman's question he said that problems with the rounds did vary. High incidence of sickness required the use temporary staff who would not be as familiar with the rounds. The 4 day week meant that the crews had a long day doing a mundane job and lapses of concentration were inevitable.

The Chairman said he was sympathetic that service change was an enormous challenge. However he expected to see sustained and continuous improvement. He invited the Head of Street Services back to the next meeting to report on progress.

The Chairman asked about the action that had been taken in respect of the RIDDOR report, mentioned at the August meeting. The Head of Street Services said that all the high visibility vests had been changed. The Chairman recalled that there had been a requirement for the jacket to be tight fastening and the Head of Street Services agreed to confirm the stated guidance on Personal Protective Equipment at the next meeting.

**(vii) PI 17 % of IT help desk calls resolved within target**

Councillor Jones asked for an explanation for the lowering of this target. The Director of Corporate Services said that when the changes were implemented from the recent ICT review it was expected that the number of calls answered within target would fall.

Councillor Jones had asked a number of questions concerning recent changes to the performance targets. The Chairman said he would discuss the matter with the Assistant Director Corporate Services and if necessary

a report would be prepared for the next meeting highlighting the reasons for these changes.

PA22

### **INTERNAL AUDIT CHARTER**

The Committee received the report on the Internal Audit Charter, which had been deferred from the meeting on 15 August 2013.

Members recalled that from 1 April 2013 the district's internal audit would be governed by the UK Public Sector Internal Audit Standards (PSIAS). Under the new arrangements, the Internal Audit Charter was required to be reviewed periodically and presented to senior management and the 'Board'. At the Full Council meeting on 8 October 2013 the Performance and Audit Committee was designated as 'the Board' for the purposes of PSIAS and all the functions of the Board under those Standards were delegated to the Committee.

The Committee received a copy of the Internal Audit Charter which had replaced the Internal Audit Charter and Terms of reference 2012/13. The report explained the main revisions that had been made to the document to ensure compliance with PSIAS.

In answer to a question from Councillor Jones, the Internal Audit Manager confirmed that she was happy with the definitions used in the internal audit assurance opinion criteria, as they gave consistency and a basis on which to form the annual opinion.

RESOLVED that the Internal Audit Charter (November 2013) be approved to ensure compliance with PSIAS.

PA23

### **INTERNAL AUDIT PROGRESS REPORT**

The Committee received a report on the work undertaken by Internal Audit since the last meeting.

Members were advised that the previously reported issue with the fuel tanks at the Shire Hill depot had been resolved and arrangements had been made to purchase fuel off site. The pumps and fuel tank at the depot had been removed.

Councillor Oliver asked why the number of day allocated to the general ledger audit had been reduced from 15 to 2 days. He was informed that the figure had been set at the beginning of the year before liaison with

external audit and had subsequently been reduced so as not to duplicate the work that would already be undertaken by external audit.

The Committee noted the report.

PA24            **CORPORATE RISK REGISTER**

The Assistant Director Corporate Services presented the Corporate Risk Register as at the end of Q2 2013/14.

**13- CR 05 Ensure high quality of recyclable material is maintained**

The Chairman was surprised at the statement that the MRF was reporting a high level of contamination in recyclables since April, as he understood the recyclable material for the district had generally been of a good quality. He was informed that discussions on this issue were currently being held with the MRF operator.

PA25            **EXCLUSION OF THE PUBLIC**

RESOLVED that under section 100I of the Local Government Act 1972 the public be excluded for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of schedule 12A of the Act.

PA26            **CORPORATE RISK ITEM**

The Committee was advised of a confidential additional risk item to be added to the Corporate Risk Register.

The meeting ended at 9.00pm.

## **ACTION POINTS**

Minute PA20	External Audit to report on the Council's housing benefit claim
Minute P21	The Chairman and Assistant Director Corporate Services to discuss the reasons for the changes to the 2013/14 KPI and PI targets
Minute PA21(iv)	The Assistant Director Corporate Services to provide performance figures, showing only rent collected in this financial year.
Minute PA21(vi)	The Head of Street Services to report progress to the next meeting and provide details of the PPE guidance in relation to the wearing of high visibility jackets