

**NORTH HERTFORDSHIRE DISTRICT COUNCIL**

**PERFORMANCE, AUDIT AND REVIEW COMMITTEE**

**Meeting held at the Council Offices,  
Gernon Road, Letchworth Garden City, on Thursday 27 March 2008 at 7.30 p.m.**

**MINUTES**

**PRESENT:** *Councillors: Julian Cunningham (Chairman), Allison Ashley, John Booth, Tom Brindley, Arthur Jarman, David Levett, Lawrence Oliver, and M.E. Weeks.*

**IN ATTENDANCE:** *Head of Financial Services,  
Head of Strategy and Customer Services  
Performance Manager  
Committee Services Officer.*

*Audit Commission – Carol Ryan  
Audit Commission – Peter Finn*

**65. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed everyone to the meeting, including Carol Ryan and Peter Finn from the Audit Commission and Councillors B. Lovewell and A. Millard as observers. The Chairman was pleased to advise that Mrs Liz Green had recently returned to work on a part time basis and had thanked the Chairman and Committee for the kind letter concerning her incapacity.

**66. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors: Clare Body, Marilyn Kirkland, Ian Mantle and Deepak Sangha.  
Apologies for absence were received from the Chief Executive, the Strategic Director of Customer Services and the Head of Policy, Partnerships and Performance.

**67. MINUTES – 31 JANUARY 2008**

**RESOLVED:** That the Minutes of the meeting held on 31 January 2008 be approved as a true record of the proceedings and be signed by the Chairman.

**68. SUBSTITUTION OF COMMITTEE MEMBERS**

The Chairman confirmed that there were no substitutions.

**69. DECLARATIONS OF INTEREST AND PARTY WHIP DIRECTIONS**

No declarations of interest were made.

No Party Whip directions were made.

**70. REFERRAL FROM THE AUDIT AND RISK PANEL: RISK MANAGEMENT UPDATE**

The Head of Financial Services advised the Committee that the Audit and Risk Panel at its meeting held on 12 March 2008 had considered an update report on Risk Management and had made recommendations to the Performance, Audit and Review Committee in respect of the Cabinet Top Risks 'Financial Management' and 'Waste Management' and in respect of the reduction of the assessment of the risk 'Full Compliance with Health and Safety Legislation' (Minute 31 refers).

**RECOMMENDED TO CABINET:**

- (1) That the reduction in the assessment of the Cabinet Top Risks of 'Financial Management' and 'Waste Management' be agreed;

- (2) That the reduction in the assessment of the risk of 'Full Compliance with Health and Safety Legislation' and its future management as a Corporate Management Team risk be agreed.

**REASON FOR DECISIONS:**

To allow PARC continue in its overview and scrutiny function for Risk Management matters as proposed by the Audit and Risk Panel.

**71. AUDIT COMMISSION – ANNUAL AUDIT AND INSPECTION LETTER**

The representatives from the Audit Commission (AC) thanked the Chairman for the opportunity to address the Committee. The Committee noted that this report provided an overall summary of the AC's assessment of NHDC for the year 2006-2007 and had drawn on the most recent CPA and any inspections undertaken since the last Annual Audit and Inspection Letter.

Mr Finn described the Audit Commission's (AC) work with NHDC and review of Direction of Travel. The AC confirmed that NHDC continued to perform well across its key service provision and that there was an above average percentage of collected performance indicators that performed well or excellently. However, over the last 12 months of review the relative performance of this authority when compared to other district councils was below average. The AC confirmed that the cost of most of the Council's services remained high – as in previous yearly reviews – and there had been no evidence of improvement in the value for money offered through the key services.

Mr Finn commented that the waste and recycling service was a good example of improvement in performance as the amount of waste to landfill had fallen dramatically and kerbside collection of recyclables had increased. The AC had also confirmed that performance had improved as the result of additional funding. Nevertheless the overall improvement had declined in the last 12 months with 49 per cent of the basket of indicators showing improvement against a district council average of around 58 per cent. The Committee were pleased to note that the AC recognised that NHDC had enhanced its partnership working with a range of agencies e.g. the delivery of wider community outcomes related to crime and health. Whilst the AC acknowledged the introduction of a Customer Services Centre (CSC) there was no detailed baseline assessment of satisfaction with each service before the CSC started. Consequently the performance of response times and percentage of abandoned calls could not be easily compared and the causes of complaints could not easily be related to the 64 per cent increase in the number of recorded complaints. Therefore, the AC concluded that NHDC was not yet ready to show evidence of improved satisfaction with the services provided in 2007, nor could NHDC be certain that there had been improved access and satisfaction what was the impact of the CSC on the residents of North Hertfordshire.

The AC considered that the lack of any clear action plans hindered the Council's ability to achieve its goals for diversity and had not sought access to individual vulnerable or excluded groups despite a current performance at Level 3 of the equality standard for local government.

The AC also confirmed that overall costs remained high in 2007-2008 and the value for money of the Council's services had not improved. The AC acknowledged the FSR on Efficiency which would report later in 2008 but at the moment the outcomes of this FSR could not be assessed.

Mr Finn concluded his presentation on the Direction of Travel with confirmation that NHDC had currently no co-ordinated strategic approach to improvement, and, although there were a number of plans to deliver improvements there was no overall improvement plan to deliver improvements for key projects and plans. The NHDC Corporate Plan was still under development and focussed on process, not outcomes but as yet did not drive change and one important omission was a detailed action plan for Organisational Development.

Several Members of the Committee expressed concern that the Audit Commission still maintained NHDC did not provide value for money and whether other Councillors were aware of this criticism. The Chairman advised the Committee that the letter was as expected and the rating of Fair remained since the CPA assessment, and there were good points in the AC letter but there was no room for complacency. Mr Finn advised the Committee that the AC would be prompt in advising any local authority if a current review was at odds with the previous CPA assessment.

The Head of Financial Services confirmed that the Council was required to identify its priorities and decide on the allocation of resources to meet selected priorities and develop a medium term strategy.

The Chairman thanked Mr Finn for his presentation and invited Ms Ryan to update the Committee on the Audit of the Accounts and Value for Money. Ms Ryan was pleased to confirm that the audit report provided an unqualified opinion on the NHDC accounts and that the Best Value Performance Plan had been audited. Ms Ryan confirmed that for the purposes of CPA the overall assessment remained at 2. The Committee were pleased to note that there were many sub sets of assessment that were very close to a score of 3. The AC considered that the data quality could be strengthened as spot checks identified weaknesses in the underlying procedures for data collection and calculation in accordance with guidance and there were two reservations on Indicators BV 199 and HIP. The AC confirmed that there had been significant progress in the housing benefit grant claim which was certified by the statutory deadline – an improvement from the previous two years.

Ms Ryan concluded her presentation by stating the action deemed necessary by NHDC:

***RESOLVED:***

That the comments and recommendations (Paragraph 11) in the Annual Audit and Inspection Letter (March 2008) be noted;

***RECOMMENDED TO CABINET***

- (1) That the comments and recommendations in the Audit Commission – Annual Audit and Inspection Letter be noted;
- (2) That Cabinet takes the appropriate action to ensure that all NHDC Portfolio Holders are aware of the key messages in this document;
- (3) That Cabinet avails itself of the opportunity to ask questions of the Audit Commission at the next meeting of Cabinet to be held on 8 April 2008.

**REASON FOR DECISIONS:**

- (1) To allow PARC the opportunity to comment on the Audit Commission-Annual Audit and Inspection Letter;
- (2) To refer the Audit Commission-Annual Audit and Inspection Letter to Cabinet for comment and approval.

**72. THE CORPORATE PLAN – THIRD QUARTER MONITORING REPORT (APRIL TO DECEMBER 2007)**

The Performance Manager (PM) presented the report of the Head of Policy, Performance and Partnerships which covered the period April to December 2007 and was the third quarterly Corporate Plan monitoring Report for the 2007/2008 financial year.

The PM referred the Committee to Appendices A and B which detailed Progress against the Corporate Plan 'Actions' and 'Related Activities' and Progress against the Corporate Plan 'Measures of Success' respectively and both for the period April 2007 to December 2007. The PM advised the Committee that there were six 'actions' behind schedule, three were completed late, and 17 were on target. With regard to 'related activities' five were behind schedule, one was completed late and 18 were on target. The Committee noted that one 'related activity' Plan for a further Crime Audit in 2008 and a renewed Community Safety Strategy' had been cancelled and that the items behind schedule were listed in full in Appendix A.

The PM next referred the Committee to progress against 'Measures of success' where one had not met its target with 17 that had no facility for reportage for date collected annually or less frequently. The PM advised the Committee that full details of this progress was detailed at Appendix B.

The PM concluded his report with a performance overview of the alternative weekly collections for waste and recycling as this particular service was a major commitment in the Corporate Plan. The target for recycling and composting had achieved 40.23 per cent against a target of 36.70 per cent for April 2007 to January 2008 and since October 2007 the tonnage going to landfill had decreased steadily from an average of 3433 tonnes to 2838 tonnes per month from October 2007 to January 2008.

Members referred to the update report on the due to IDeA with particular reference to Satisfied Communities and the Chairman advised the Committee that representations had been made to IDeA about the late delivery of the Assessment. It was also proposed and agreed that more detailed narrative was required concerning the Churchgate and Surrounding Area Development due to delays in the tendering process. The Chairman expressed concern that the Corporate Plan still lacked definitive and objective measures even though the most of the actions were on target and there was a relatively short time until the next meeting of PARC to be held on 5 June 2008 where it was anticipated that the Corporate Plan would be 'closed off'.

**RESOLVED:**

- (1) That the progress of the Corporate Plan in the period April 2007 to December 2008 be noted.
- (2) That the Performance Manager be requested to include additional narrative which would reflect activity in the third quarter concerning the development of Churchgate and Surrounding area in Hitchin (Appendix A – Prosperous Communities Ref. 2.2) in the fourth quarter period.
- (3) That the areas of under-achievement as well as good progress with the Corporate Plan be noted.

**REASONS FOR DECISION:**

The recommendations made at Paragraph 9 were made in accordance with the declared policy of North Hertfordshire District Council.

**73. THE 'PLACE' SURVEY – NATIONAL CONSULTATION**

The Head of Strategy and Customer Services (HSCS) presented the report of the Strategic Director of Customer Services and advised the Committee that 'The Place Survey' would be undertaken by local authorities on behalf of Central Government. The current proposed timetable required the first 'Place' survey to be undertaken in October 2008, and that this survey would replace the Best Value Performance Indicator User Satisfaction, Planning and Benefit surveys (as of 31 March 2008), however, further guidance would be issued in June 2008 and consequently the date of October was not certain.

The HSCS referred the Committee to Appendix A which gave details of the survey and in particular draft survey questions – some of which the Committee felt could be improved. Of particular concern to the Committee was the relationship to this new survey to the planned NHDC District Wide Survey and whether this might be deferred in 2008 to be replaced by 'The Place' survey. The HSCS advised that the themes in the 'Place' survey would be about national issues, not local matters and confirmed that there were 25 new Citizen Perspective Indicators of which 20 would be collected in 'The Place' survey and that the survey intended to be: relevant to anyone living in NHDC and not specific to any agency or group that operated in NHDC Also the HSCS confirmed that the issues that NHDC should consider were as follows:

- 1.The likely variation between results from the 'Place' survey and local research as a result of slight differences in phrasing of questions;
- 2.Procurement arrangements would need to be through open tender, existing supplier or in collaboration with the HCC consultation network. NHDC was one of only three Districts making its own arrangements. Guidance was available as to how two tier authorities could pay for, collect and share the data between local authorities;
- 3.The relationship between the 'Place' survey and the Pathfinder project – this was likely to be beneficial in areas where there were cross cutting customer service initiatives;.
- 4.The timing of NHDC's periodical publications and other media activity in the run up to The 'Place' survey field work;
- 5.The involvement of Local Strategic Partnership partners in 'The Place' survey;
- 6.The branding of the survey – with a subsequent loss of NHDC identity;
- 7.Amendments required to the agreed NHDC Consultation Strategy as a result of the change from the three yearly BVPI survey to the proposed ( yet to be confirmed) two yearly 'The Place' survey. The first 'Place' survey was to be undertaken in October 2008. NHDC had planned to undertake its bi-annual District Wide Survey (DWS) in July 2008. This would require tenders to be agreed in April 2008 for 'The Place' survey. If the existing timing for the 'Place' survey continued there would be two surveys months apart every other year.
- 8.The current relationship between BVPI and DWS provided evidence of changes in public opinion to be tracked. This regular large scale survey of local opinion provided vital evidence for the annual NHDC Direction of Travel statement, especially with a focus on Outcomes.
- 9.There were no extra monies from Government to cope with more frequent surveying currently proposed. Any adjustment in the frequency of the NHDC DWS would incur costs.

The Committee debated the nine items above and after due deliberation agreed that NHDC should continue with its own District Wide survey in 2008, partly on the grounds of retaining valuable time series information and because NHDC set its own questions whereas questions in 'The Place' survey were set by Central Government. Members also questioned these additional costs for NHDC and whether savings could be made by sharing with other Hertfordshire local authorities and the HSCS confirmed that discussions were taking place on this matter, and that even if a county wide 'Place' survey took place each council would receive data for its own area. In response to an enquiry the HSCS confirmed that all Hertfordshire local authorities had 'signed up' to the Pathfinder Project.

**RESOLVED:**

- (1) That the proposed 'Place Survey' questions as listed at Paragraphs 4.5 and 4.6 and at Appendix A be noted;
- (2) That the Strategic Director of Customer Services be requested to proceed with a District Wide Survey in North Hertfordshire;
- (3) That the Strategic Director of Customer Services be requested to investigate the prospect of undertaking in 2009 'The Place' survey in association with other local authorities in Hertfordshire in order to achieve efficiencies;

- (3) That the Strategic Director of Customer Services following receipt of Local Governance guidance be requested to present to the next meeting of PARC an Action Plan in order to implement a new survey methodology for 'The Place' survey in the future.

**REASON FOR DECISIONS:**

To allow PARC to ensure efficient and effective arrangements are made for the 'Place Survey' National Consultation and ensure that valuable attitudinal performance information was to continue for collection during the NHDC District Wide Survey in 2008.

**74. PERFORMANCE INFORMATION MANGEMENT (APRIL – DECEMBER 2007)**

The Performance Manager (PM) presented the report of The Strategic Director of Customer Services which included a performance management report for the period April 2007 to December 2007 (Appendix A), a summary of rescue recovery plans (Appendices B and C) and to report on comparative performance data (Appendix D).

The PM reminded the Committee that NHDC monitored 95 performance indicators in 2007-2008 of which 66 were statutory and 26 were local of which 36 performance indicators received closer inspection. Should a Performance Indicator show a red status or be close to red then the management structure required the formulation of a Rescue Recovery Plan and the PM referred the Committee to the two plans for LPI 10 and LPI 14 detailed at Appendix B including an update on seven rescue recovery plans issued by the end of the first quarter in June 2007 and by the end of the second quarter in September 2007 another seven rescue recovery plans were implemented. The Committee reviewed the recovery plans and agreed to approve Option 1 for LPI 10 and Option 2 for LPI 14.

The PM next referred the Committee to Paragraph 4.9 of the report which detailed the traffic light status and direction of travel for 77 performance indicators supported by information presented at Appendix A. With regard to Traffic light status the Committee noted 56 per cent at green, 17 per cent at amber and nine per cent at red and with regard to Direction of Travel the Committee noted 29 per cent had worsened /worst possible return, 54 per cent had improved /optimum return with 4 per cent at unchanged.

Comment was made as to the efficiency of the collection of and scrapping of abandoned vehicles (BV 218a) and the HSCS confirmed that this was a Hertfordshire Countywide service and agreed to distribute to PARC Members the participating local authorities. There was also comment as to how waste and compost recycling tonnage could be increased as it was evident that black wheelie bins often contained material that could be recycled or composted. The HSCS advised that every effort was being made to provide advice on recycling and composting in order to increase tonnage collected and that visits to local schools had been successful.

**RESOLVED:**

- (1) That the Performance Management Information for the period April to December 2007 be noted;
- (2) That Option 1 for the Rescue Recovery Plan LPI 10 'The percentage of Environmental Health customers who completed a customer survey questionnaire within the monitoring period, and rated the service as very good or good' as presented at Appendix B be agreed;
- (3) That Option 2 for the Rescue Recovery Plan LPI 14 'The percentage of allotment plots let' as presented at Appendix B be agreed;
- (4) That the areas of under achievement and good performance be noted;
- (5) That the updates on previous Rescue Recovery plans as presented at Appendix C be noted.

## **REASONS FOR DECISIONS:**

The recommendations made at Paragraph 9 to the report had been made in accordance with the declared policy of North Hertfordshire District Council.

### **75. PERFORMANCE MANAGEMENT ARRANGEMENTS 2008-2009**

The Head of Strategy and Customer Services (HSCS) presented the report of the Strategic Director of Customer Services which included an update on the development of an amended Performance Management System following adoption of the new Corporate Business Planning Process for 2009-2010 onwards. The HSCS requested that the Committee on conclusion of his report should review each of the current Best Value Performance Indicators and the Local Performance Indicators presented at Appendix 2 and advise which of the indicators proposed for deletion should be retained or deleted.

The HSCS confirmed that the Performance Management Team would co-ordinate the collection of new National Performance Indicators from 1 April 2008 as presented at Appendix 1, plus a number of BVPIs not included in the new national set and the NHDC local indicators as presented at Appendix 2. The Committee were pleased to note that the performance team were developing local indicators that would fill identified gaps in order to measure the success of achieving NHDC priorities for 2008 – 2009 and beyond.

At the invitation of the Chairman the Committee reviewed each indicator in Appendix 2 and resolved to retain two BVPIs and two LPIs as detailed at (4) below.

#### **RESOLVED:**

- (1) That the actions taken for the development of the Corporate Business Planning Process be noted;
- (2) That the Performance Management Arrangements for 2008-2009 and beyond be noted;
- (3) That the Performance Manager be requested to continue with the current reporting programme for performance indicators until further notice and collect any new or direct replacements;
- (4) That the Performance Manager be requested to delete all Indicators as indicated for deletion at Appendix 2 except for the following indicators which should be retained for collection in 2008-2009:
  - BV 175** – The percentage of racial incidents reported to the Local Authority that resulted in further action.
  - BV 218a** – The percentage of new reports of abandoned vehicles investigated and their status determined within 24 hours of notification.  
*(Note. The definition of this indicator will be reviewed in line with the request to report the numbers and clearance times are also reported.*
  - LPI 21** – The percentage of reported graffiti/bill-posters or stickers removed within the allowed timescale from verification on NHDC property.  
*Note: The definition of this indicator will be reviewed in line with the request to report the numbers as well as clearance times.*
  - LPI 22** – Percentage of street cleanliness complaints put right within the timescales allowed under the Environmental Protection Act.  
*The definition of this indicator will be reviewed in line with the request to report the numbers as well as the percentage put right in the agreed timescale.*
- (5) That the Performance Team be requested to continue their work to develop Local Performance Indicators to complete gaps identified that would measure the success of achieving NHDC priorities for 2008-2009 and beyond and report back to a future meeting of PARC.

#### **REASON FOR DECISION:**

The recommendations made at Paragraph 9 to the report had been made in accordance with the declared policy of North Hertfordshire District Council.

**76. CHAIRMAN'S THANK YOU**

The Chairman proposed and it was agreed:

**RESOLVED:** That a vote of thanks be recorded to acknowledge the input and support of Members and Officers to the Performance, Audit and Review Committee in 2007-2008.

The meeting closed at 9.45 p.m.

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Chairman