

## Select Committee Agenda



### **Resources Select Committee Tuesday, 13th October, 2015**

You are invited to attend the next meeting of **Resources Select Committee**, which will be held at:

**Committee Room 1, Civic Offices, High Street, Epping  
on Tuesday, 13th October, 2015  
at 7.30 pm .**

**Glen Chipp  
Chief Executive**

**Democratic Services  
Officer**

R Perrin, Directorate of Governance  
email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk) Tel:  
01992 564532

#### **Members:**

Councillors G Mohindra (Chairman), P Keska (Vice-Chairman), K Angold-Stephens, N Bedford, S Kane, H Mann, A Mitchell MBE, A Patel, S Watson and J M Whitehouse

**SUBSTITUTE NOMINATION DEADLINE:**

**18:30**

**1. APOLOGIES FOR ABSENCE**

**2. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

(Director of Governance) To report the appointment of any substitute members for the meeting.

**3. NOTES OF THE LAST MEETING (Pages 5 - 12)**

To agree the notes of the last meeting held on 14 July 2015.

**4. DECLARATIONS OF INTEREST**

(Director of Governance). To declare interests in any items on the agenda.

In considering whether to declare a personal or a prejudicial interest under the Code of Conduct, Overview & Scrutiny members are asked pay particular attention to paragraph 11 of the Code in addition to the more familiar requirements.

This requires the declaration of a personal and prejudicial interest in any matter before an OS Committee which relates to a decision of or action by another Committee or Sub Committee of the Council, a Joint Committee or Joint Sub Committee in which the Council is involved and of which the Councillor is also a member.

Paragraph 11 does not refer to Cabinet decisions or attendance at an OS meeting purely for the purpose of answering questions or providing information on such a matter.

**5. TERMS OF REFERENCE AND WORK PROGRAMME (Pages 13 - 18)**

(Chairman/Lead Officer) the Overview and Scrutiny Committee has agreed the Terms of Reference of the Committee. This is attached along with an ongoing work programme. Members are invited at each meeting to review both documents.

**6. PLANNING ENFORCEMENT MATTERS (Pages 19 - 22)**

(Director of Governance) to consider the attached report.

**7. FINANCIAL ISSUES PAPER (Pages 23 - 36)**

(Director of Resources) to consider and note the Financial Issues Report that initially went to the Finance and Performance Management Cabinet Committee on 20 July 2015.

**8. ENERGY SAVINGS AND IMPROVED MANAGEMENT PROCESS UPDATE (Pages 37 - 40)**

(Director of Resources) to consider the attached report.

**9. CALL HANDLING (Pages 41 - 44)**

(Director of Resources) To consider the attached report.

**10. CARELINE AND HOUSING RELATED CHARGES (Pages 45 - 60)**

(Director of Communities) to consider the attached report.

**11. FEES AND CHARGES 2016/17 (Pages 61 - 80)**

(Director of Resources) to consider the attached report.

**12. QUARTERLY FINANCIAL MONITORING (Pages 81 - 104)**

(Director of Resources) to consider the attached report.

**13. KEY PERFORMANCE INDICATORS - 2015/16 - QUARTER 1 (Pages 105 - 130)**

(Director of Governance) to consider the attached report.

**14. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE**

To consider which reports, if any, should be submitted to the Overview and Scrutiny Committee at its next meeting.

**15. FUTURE MEETINGS**

To note the scheduled future meetings. They are:

7<sup>th</sup> December;  
9<sup>th</sup> February 2016; and  
12<sup>th</sup> April.

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**EPPING FOREST DISTRICT COUNCIL  
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE  
HELD ON TUESDAY, 14 JULY 2015  
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING  
AT 7.10 - 8.40 PM**

**Members Present:** G Mohindra (Chairman), P Keska (Vice-Chairman), K Angold-Stephens, S Kane, A Mitchell MBE, B Surtees and S Watson

**Other members present:** A Lion and S Stavrou

**Apologies for Absence:** N Bedford, H Mann, A Patel and J M Whitehouse

**Officers Present** P Maddock (Assistant Director (Accountancy)), P Maginnis (Assistant Director Human Resources) and A Hendry (Democratic Services Officer)

**1. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

It was noted that Councillor B Surtees was substituting for Councillor Jon Whitehouse.

**2. DECLARATIONS OF INTEREST**

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

**3. TERMS OF REFERENCE AND WORK PROGRAMME 2015/16**

The Committee considered their Terms of Reference and their work programme.

**Terms of Reference**

The Committee made no changes or amendments to their Terms of Reference.

**Work Programme**

The Committee considered their work programme and made the following comments or additions to the programme:

- That the Medium Term Financial Strategy and the Financial Issues Paper be added for consideration at their October 2015 meeting;
- The Chairman noted that unless members had something specific they wanted to consider, the KPI quarterly updates would just be noted;
- Members should give advance warning of any KPI that they wanted to consider so that an appropriate officer could be asked to attend the meeting;
- That the Committee consider the Councils apprenticeship and graduate scheme;
- That the work of the Planning Enforcement Team be considered – to look at what they did and how they did it – taking a general overview at the processes involved and not at specific cases (members noted that they

seemed to be entirely reactive and not proactive and that they were a Monday to Friday service and did not work weekends);

- An initial report on enforcement to go to the October 2015 meeting;
- That the Committee look at Shared Services Working – they noted that currently HR were working with Colchester and Braintree Councils on a joint HR payroll system; and
- That they look at Facilities Management and their rationalising of the Council's energy bills.

Councillor Lion asked about looking at the Resources Directorate Business Plan in conjunction with the KPIs. Councillor Mohindra said that the problem with Business Plans were that they were quite long and detailed; it would be a long process to consider them. He was currently looking at a couple to see how they would fit. Councillor Stavrou said that an overall view of business plans should go to the Governance Committee.

As a general statement of how this Committee would operate, the Chairman said that he would like to consider things that were either going really well or really badly.

Councillor Watson suggested looking at cash flow forecast, Mr Maddock said he would look into it. She then also asked about financial diligence, was that for Audit and Governance? She was told that fell into two camps Audit and Finance and Governance.

#### **RESOLVED:**

That the following be added to this Committees Work Programme:

- i. the Medium Term Financial Strategy and the Financial Issues Paper;
- ii. the Councils apprenticeship and graduate scheme (to the October or December meeting if possible);
- iii. the work of the Planning Enforcement Team be considered;
- iv. to look at Shared Services Working;
- v. to look at Facilities Management and their rationalising of the Council's energy bills.

#### **4. KEY PERFORMANCE INDICATORS 2014/15 - OUTTURN**

The Assistant Director Accountancy, Mr Maddock introduced the outturn report for the Quarter 4 results for the Key Performance Indicators for 2014/15. The Committee noted that the overall position for all the KPIs at the end of year (31 March 2015) was:

- 26 or 72% - indicators achieved the cumulative end of year target;
- 10 or 28% - indicators did not achieve the target; and
- 1 or 3% - performed within the agreed tolerance for the indicator.

Eleven of these indicators fell within the Resources Select Committee area of responsibility. The overall position at the end of the year for these eleven indicators was as follows:

7 or 64% - achieved the cumulative fourth quarter target; and  
4 or 36% - did not achieve the cumulative fourth quarter target.

Councillor Surtees commented that that they were looking at very small variances in the most part.

Councillor Stavrou commented that due to the use of paper invoices the thirty day target was never going to be met. As long as this continued there was very little that could be done about this. Mr Maddock said that they were looking at e-invoicing but this would take some time to implement; once implemented invoices would go straight into our system which would speed everything up. But this could not be done until the end of this financial year.

Councillor Lion asked about the utilisation of accommodation. The Chairman said they would leave this for now, hopefully the Cabinet would look at this; if not then this committee may consider it.

**RESOLVED:**

That the Committee noted the outturn performance in relation to the Key Performance Indicators for 2014/15.

**5. SICKNESS ABSENCES OUTTURN REPORT 2014/15**

The Assistant Director Human Resources, Ms Maginnis introduced the outturn report for the sickness absence levels for 2014/15.

The Committee considered the sickness absence for quarters 3 and 4, 2014/15. It was noted that the target for sickness absence, under KPI10 for 2014/15 was an average of 7 days per employee; the outturn figure for that year was 9.2 days, making the Council above target for the first time in 4 years.

During Q3, 6.6% of staff met the trigger levels or above, 30.4% had sickness absence but did not meet the triggers and 63% had no absence. During Q4, 6.6% of staff met the trigger levels or above, 32.4% had sickness absence but did not meet the trigger levels and 61% had no absence.

The Committee noted that there was a significant increase in long term absence, however these long term absences were returning to work so the council was not losing them. Councillor Stavrou asked if they returned to work in their original job and was told that they did, they have a phased return to work to ease them back.

The number of employees who had taken long term absence was detailed in appendix 3. Appendix 4 showed the last two financial years and showed an increase of 93% for mental health issue. This year showed a similar trend. The Joint Consultative Committee had asked if this could be broken down by grades and professional areas of work. But, as the numbers were not large it may be possible for individuals to be identified. This was taken up in paragraph 29 of the report which set out an action plan to deal with this.

The Chairman asked if any further detailed analysis could be brought to this Committee which could be looked at in private session, and if this report could be brought here on a semi-annual basis. This was agreed by the committee.

Councillor Angold-Stephens asked if it could be broken down into work related or non-work related causes.

Councillor Stavrou noted that early intervention was essential especially for mental health matters. Ms Maginnis replied that it was quite difficult for managers to deal with this. They have now got some training in place to enable line managers to be proactive.

Councillor Surtees asked if anything was done for disability adjustments to be put in place. He was told that this was done on a continuous basis. Councillor Surtees was not happy with breaking down the figures into working and non-working causes; it was usually the case that if there were problems in both areas then people could not cope. Could things be tackled from the bottom up as well as top down? He was told that the Council had just started coaching sessions for staff looking at assertiveness etc. they also had the workplace Chaplains come around. There were various things that they were doing.

Councillor Kane asked if the number of cases also increased with the number of days off. He was told that it was a bit of both. The trigger levels had decreased and so this had increased the numbers. Councillor Kane said it was important for the number of staff not so the number of days. Ms Maginnis replied that she could say that it had doubled and that included stress, but they were only talking about 5 or 6 people. A lot of this came down to managers being proactive. Councillor Kane said that this highlighted the difference between percentages and numbers. Percentages gave an entirely different perspective.

Councillor Surtees noted that effectiveness with dealing with short term absences also improved staff moral.

**AGREED:** The Committee noted that there was also a need to look at environmental/work factors that may also contribute to high levels of sickness. Health and Safety played a part in this and maybe a short report should go to the Chairman to consider if it should be taken further.

**RESOLVED:**

- (1) That the Committee noted the report on sickness absence; and
- (2) That a further detailed analysis of the increase in mental health days off be brought to a future meeting. This would be discussed in private session.

**6. PROVISIONAL CAPITAL OUTTURN 2014-2015**

The Assistant Director Accountancy, Mr Maddock introduced the report on the Council's capital programme for 2014/15 in terms of expenditure and financing and compared the provisional outturn figures with the revised estimates. The revised estimates, which were based on the Capital Programme, represent those adopted by the Council in February 2015.

It was noted that the Council's total investment on capital schemes in 2014/15 was £20,114,000, compared to a revised estimate of £24,092,000. The largest underspends were experienced on General Fund projects. In particular, there was an underspend of £1,000,000 on the St John's Road Development scheme as the land purchase and asset negotiations planned to enable the proposed development of this site, had not taken place yet. As a consequence the full £1,000,000 set aside for this scheme was requested for carry forward to 2015/16. In addition, there was another large underspend of £448,000 on the Museum redevelopment scheme, for which



Heritage Lottery funding has been secured. A carry forward of £448,000 to 2015/16 was requested.

Within the Resources Directorate, there was also a significant underspend of £557,000 on the planned maintenance programme. The largest underspends relate to the installation of the new windows in the main building and the solar panels.

Expenditure on the Information and Communication Technology (ICT) Programme was £424,000 last year compared to a revised budget of £533,000. The £109,000 underspend relates primarily to the installation of the new disaster recovery system and replacement of the host servers.

The two largest underspends within the Neighbourhoods Directorate relate to work on the Councils parking schemes and the upgrade of the pay and display machines in car parks.

The capital allocation for waste management equipment was set aside primarily for new refuse and recycling bins. However, the Council was now operating a stock account for bins through new arrangements with Biffa.

With regard to capital expenditure on the Council's HRA assets, a total of £13,851,000 was invested compared to a revised estimate of £15,219,000; this represents a 9% underspend. In comparison with 2013/14, however, expenditure was up by 30%.

It was noted that the largest underspend in 2014/15 was on the kitchen and bathroom replacement programmes. The vast majority of the £501,000 underspend occurred because a quarter of kitchen replacements planned for 2014/15 had to be placed on hold pending clearance of tenant arrears and other matters.

The second largest underspend was experienced on the new house building and conversions program. Work is now well underway on all four sites of Phase 1 of the house building programme.

The Chairman noted that as a general point everything had been carried forward.

Councillor Angold-Stephens had a query about waste vehicles, noting that 8 extra vehicles had to be bought (by Biffa?). He was told that we had sold our fleet of vehicles to Biffa and recently they had to hire in some extra vehicles to cover the shortfall.

The Chairman said that he would like to look at private funding arrangements, but this may have to be done in private session. The Committee agreed that they would like this added to their work programme.

Councillor Watson noted the slippage and commented that we may never catch up when we carry things forward. Councillor Stavrou disagreed as the causes were different each time, which tended to be one off items and instances. Councillor Mohindra added that in the past they tended to look at items on the DDF budget that stayed on for more than 3 years. Councillor Watson said this was more a question of principle and not based on any individual item and she did not want to lose sight of this. Councillor Stavrou noted that historically no one had focused attention on this. However, over the last few years the finance scrutiny panel had looked at it and it had now been tightened up. Cabinet was mindful of what scrutiny had to say.

Mr Maddock noted that coming into force was the new rule that social rents had to be reduced by 1% which would bounce back on our finances over the next four years and cost us a lot of money; which would mean that we will have to look very carefully at the HA capital programme.

**RESOLVED:**

- (1) That the provisional outturn report for 2014/15 be noted;
- (2) That retrospective approval for the over and underspends in 2014/15 on certain capital schemes as identified in the report be recommended to the Cabinet;
- (3) That approval for the carry forward of unspent capital estimates into 2015/16 relating to schemes on which slippage has occurred be recommended to the Cabinet;
- (4) That approval for bringing forward allocations from 2015/16 in respect of a small number of capital schemes on which expenditure had been incurred ahead of schedule be recommended to Cabinet; and
- (5) That approval of the funding proposals outlined in the report in respect of the capital programme in 2014/15 also be recommended to the Cabinet.

**7. PROVISIONAL REVENUE OUTTURN 2014-2015**

The Assistant Director Accountancy, Mr Maddock introduced the report on the Council's revenue outturn for the Continuing Services Budget (CSB) of the general fund and the consequential movement in balances for 2014/15.

Net expenditure (CSB) for 2014/15 totalled £14.547 million, which was £763,000 (5%) above the original estimate and £223,000 (1.5%) above the revised. When compared to a gross expenditure budget of approximately £74 million, the variances can be restated as 1% and 0.3% respectively.

The main movement between the Original estimate and the Revised and Actual position was the creation of the spend and save reserve which had moved £500,000 from the General Fund Balance into an earmarked reserve set up to fund any initial costs required to achieve on-going CSB savings. The fund would operate in a similar way to the District Development Fund (DDF) in that there would be the ability to move budgetary provision money between years as necessary. 2015/16 would be the first year of operation for this Fund.

The original in year CSB savings figure of £870,000 became an in year savings figure of £1,089,000. There were a number of items added during 2014/15 these included; savings on the refuse contract (£144,000), additional Development Control and Pre-Application income (£120,000), additional rents from shops (£73,000) and a reduction in external Audit fees (£35,000). The level of savings on the waste contract fell short by £81,000 the other three items turned out broadly as expected. Offsetting this was lost income from the market at North Weald Airfield where a further £310,000 was removed from the ongoing budget.

Net District Development Fund expenditure was expected to be £1,863,000 in the original estimate and £1,122,000 in the revised estimate. In the event the DDF

showed net expenditure of £249,000. This was £1,614,000 below the original and £873,000 below the revised. There were requests for carry forwards totalling £575,000 and these were detailed in the report.

As spending was £873,000 below the revised estimate but carry forwards of £575,000 have been requested, so a net underspend of £298,000 was shown.

The DDF reduced between the Original and Revised position by some £741,000, this was mainly due to new items identified during 2014/15; the main items being additional housing Benefit overpayments and Council Tax Benefit adjustments and grants (£326,000), additional Development Control income (£120,000), Income from shops (£78,000), slippage on the local plan budget (£91,000) and Building Maintenance (£46,000).

There was a number of items contributing to the underspend of £873,000, such as additional Development Control income over and above that allowed for previously (£103,000); a further receipt relating to the Heritable investment (£100,000) (we now have 98% and are expecting to have 100% back); Slippage relating to Building Maintenance (£123,000); Asset rationalisation (£101,000); the Transformation Programme (£75,000) and NEPP redundancies (£31,000) to name but a few.

The HRA now has a higher balance than expected, but after the last Budget we would need it.

Councillor Angold-Stephens asked how much we were expected to collect in Business Rates to get to 95%. Paragraph 6 of the report said that we would have to pay back £419k odd over the next two years. Mr Maddock replied that technically speaking the £419k was the variance. Of the total, 50% went to the government, we got 40% and then the government got a bit more. So out of the £34million we only get to keep about £3.5million. The appeals deadline had just passed so we should be stable until 2017.

**RESOLVED:**

- (1) That the provisional 2014/15 revenue out-turn for the General Fund and Housing Revenue Account (HRA) be noted;
- (2) That as detailed in Appendix D of the report, the carry forward of £575,000 District Development Fund expenditure be noted ; and
- (3) That the carry forward of the £67,000 HRA Service Enhancement Fund expenditure also be noted.

**8. REPORTS TO BE MADE TO THE NEXT MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE**

The Committee noted that their Terms of Reference would be going to the next O&S Committee for agreement.

**9. FUTURE MEETINGS**

The Committee noted the dates of the scheduled future meetings and agreed that they begin at 7.30pm instead of 7pm.

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## RESOURCES SELECT COMMITTEES

### TERMS OF REFERENCE 2015/16

**Title:** Resources Select Committee

**Status:** Select Committee

1. To undertake overview and scrutiny, utilising appropriate methods and techniques, of services and functions of the Resources Directorate, excluding those matters within remit of the Audit and Governance Committee, the Standards Committee or the Constitution Working Group;
2. To consider any matter referred to the Select Committee by the Overview and Scrutiny Committee;
3. To undertake quarterly performance monitoring in relation to the services and functions of the Resources Directorate, though review of progress against adopted key performance indicators and other appropriate measures;
4. To identify any matters within the services and functions of the Resources Directorate requiring in-depth scrutiny, for referral to the Overview and Scrutiny Committee;
5. To establish working groups as necessary to undertake any activity within these terms of reference;
6. To respond to applicable consultations as appropriate;

#### **Finance**

7. To consider the draft directorate budgets for each year, and to evaluate and rank proposals for enhancing or reducing services where necessary, whilst ensuring consistency between policy objectives and financial demands;
8. To review key areas of income and expenditure for each directorate on a quarterly basis throughout the year;

#### **Information and Communications Technology**

9. To monitor and review progress on the implementation of all major ICT systems;

#### **Value For Money**

10. To consider the Council's comparative value for money 'performance', and to recommend as required to the Finance and Performance Management Cabinet Committee, in respect of areas where further detailed investigation may be required;

**Human Resources**

11. To monitor and review areas of concern or significance that comes under Human Resources.

**Chairman:** Cllr Mohindra

## Resources Select Committee (Chairman – Cllr Mohindra)

### 2015/16

Item	Report Deadline/ Priority	Progress / Comments	Programme of Meetings
(1) To review the specific quarterly KPI's for 2015/16	Quarterly.	Progress reports to meetings: Q1 in October 2015; Q2 in December '15; Q3 in April '16	14 July 2015; 13 October; 07 December;
(2) Key Performance Indicators 2014/15– Outturn	Outturn KPI performance considered at the first meeting of each municipal year.	Outturn KPI performance report for 2014/15 for July 2015 meeting.	09 February 2016; 12 April
(3) Detailed Portfolio Budgets	Portfolio budgets considered on an annual basis jointly with the Finance & Performance Management Cabinet Committee.	Annual review of portfolio budgets to be considered at joint meeting with the F&P M Cabinet Committee in January of each year.	
(4) ICT Strategy – Progress Call-handling in October '15	Progress against ICT Strategy considered on an annual basis.	Progress report to be considered at meeting on 13 October 2015. To include call/response handling and a report on options following introduction of new telephony system.	
(5) Fees and Charges 2016/17	Proposed fees and charges for 2016/17 to be considered at October 2015 meeting.	Proposed fees and charges considered on an annual basis each October.	
(6) Provisional Capital Outturn 2014/15	Provisional outturn for 2014/15 to be considered at July meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each municipal year.	

(7) Provisional Revenue Outturn 2014/15	Provisional outturn for 2014/15 to be considered at July 2015 meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each municipal year.
(8) Sickness Absence Outturn	July 2015	To review the Sickness Outturn report for 2014 - 15.
(9) Sickness Absence	Half-yearly progress reports for 2015/16 to be considered at December and April meetings.	Detailed progress against achievement of sickness absence targets reviewed on a six-monthly basis
(10) Medium Term Financial Strategy & Financial issues paper	October 2015	To receive financial issues Paper and Medium term financial strategy including 4 year General Fund forecast
(11) Quarterly Financial Monitoring	Oct 2015; Dec.2015; & Feb.2016	To receive quarterly financial monitoring reports
(12) Apprentices & Graduates	December 2015	To receive a presentation on the Council's apprenticeship scheme and it's graduate scheme
(13) Planning Enforcement	October 2015	To review the Planning Enforcement team's work, and how they carry it out. To consider their processes and not specific cases.
(14) Shared Services Working	December 2015	To review any shared services working being carried out by EFDC. HR are currently working with Colchester and Braintree Councils on a shared HR payroll system.
(15) Facilities Management	October 2015	To consider the rationalising the Council's Energy Bills.
(16) Private Funding	December 2015	To consider any avenues of private funding available to EFDC.



(17) Housing Benefit Fraud & Compliance	February 2016	To receive a report on the fraud team's work.
(18) Corporate Debt Processes	April 2016	To receive a report on the approach adopted to dealing with the debts due to the Council.

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## **Report to Resources Select Committee**

**Date of meeting: 13 October 2015**

**Subject: Planning Enforcement**

**Officer contact for further information:**  
**Jerry Godden, ext. 4498**

**Committee Secretary: Adrian Hendry**

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SCRUTINY



### **Recommendations/Decisions Required:**

**That the Committee note the work of the Planning Enforcement Section**

### **Report:**

1. Planning Enforcement is a section of the Development Management Department in the Governance Directorate. It is a non-statutory discretionary function of the Council, but one which has historically been actively supported by Councillors to enable the Council to have “teeth” to deal with breaches of planning control. Breaches of the development regime generally cause disquiet, sometimes severe, with neighbours and Councillors, due to the actual or perceived harm of the breach and the actions of the person/organisation responsible for the breach.

2. The Enforcement Sections powers to act are primarily set out in the Town and Country Planning Act 1990 (as amended), and investigations have to be undertaken with due regard to the investigatory regulatory framework such as PACE, RIPA, CIPA and Central Government policy, guidance and the National Planning Policy Framework. The Council has adopted a Local Enforcement Plan which explains our policy, priorities and processes in detail. This is available on the Council website at:

<http://www.eppingforestdc.gov.uk/index.php/residents/planning-and-building/planning-development-control/planning-enforcement>.

3. The Section consists of a Principal Officer (who is also responsible for the Trees & Landscape Section and the Heritage and Conservation Section) who is a qualified planner manages the section and provides the professional planning advice to the section, a Senior Enforcement Officer who investigates the more complex cases, 3 Enforcement Officers who deal with the bulk of investigations and an Administration Officer. The Principal Officer reports directly to the AD Development Management.

4. Complaints are received from the public, Town and Parish Councils, Councillors and other departments and officers will respond within 24 hours to complaints involving Listed Buildings, Preserved Trees and new Gypsy & Traveller Sites and within 14 days for all other complaints, although most of these are visited within 4/5 days of receipt of the complaint. Officers spend a considerable amount of time on site investigating, evidence gathering, negotiating and advising with both complainants and complainers'. There is also a considerable amount of research that has to be carried out into sites and to comply with the current rules and regulations.

5. The Council can serve various notices in the event of proven breaches and also apply for High and County Court Injunctions. The Council can prosecute for breach of these notices and can also take direct action to enforce the notices. However, all prosecutions and actions must be legal, proportionate and expedient.

6. The complaints range from the serious and complex to the trivial and non-planning related. Enforcement Investigations can be completed after a first visit in simple cases; in complex cases the investigation can take several years. This is as a result of factors out of the control of officers including the planning system which allows appeals on planning and enforcement decisions, which can go as high as the Supreme Court and the legal system once a prosecution is undertaken. This is not ideal as it can often appear to the public and members that no action is being taken leading to frustration and cynicism. The Enforcement Section encourages those who have made complaints to keep in regular touch with officers to avoid this; due to workloads it is not feasible for officers to keep all complaints regularly updated as to the progress of a case.

7. A good example of this is a recent case of a Traveller Site established without planning permission in 2008 which was granted planning permission by a planning inspector for a temporary 3 year period in August 2015. This was after the service of 3 separate planning enforcement notices, 3 appeals including a 3 day public inquiry and a very proactive enforcement investigation.

8. The section is adequately resourced and has an active liaison with other Councils sections and the Essex Police. Officers generate income (see statistic detail below) for the Department by the receipt of retrospective planning applications and the pursuit of S106 Planning obligation monies.

#### **Statistics:**

**Complaints received** (note only one complaint is recorded even if multiple persons make complaints about the same site/issue):

2014 (from 01 Jan)	586
2015 (to 30 Sep)	474
Average work load per officer	60 - 70 cases at any time

#### **Complaint Closed**

2014 (from 01 Jan)	521
2015 (to 30 Sep)	377

#### **Enforcement Notices issued (all types)**

2014 (from 01 Jan)	24
2015 (to 30 Sep)	10 (a further 14 notices are being prepared)

The national average for the issue of enforcement notices is 16 per annum

**Appeals** (only enforcement related – does not include planning application appeals)

2014 (from 01 Jan)	10
2015 (to 30 Sep)	6

#### **Income Generated**

2014 (from 01 Jan)	£11992
2015 (to 30 Sep)	£9138
S106 monies recovered	£67,000

9. A comparison of enforcement costs between Councils is of limited use as costs are governed by how much effort the authority wish to put into enforcement in the first place. The Council spent £424,000 in 2014/15 which, compared to other Essex authorities, is higher, but the planning issues facing Epping are different to Braintree or Uttlesford. Parts of the district share similar characteristics to some outer London Boroughs but equally other parts are very different. It should be noted that we have the largest amount of Green Belt in Essex which imposes its own complexities and complications in investigations and enforcement.

10. This Council clearly invests more resources in planning enforcement than a number of other Essex Authorities which reflects the seriousness with which members see around the planning enforcement function and not to put in the additional resources would be detrimental to the authority and its residents.

11. Information was requested from other Essex authorities on costs and the 5 that responded were (with costs and number of officers dedicated to enforcement):-

Chelmsford	£343,000	no information provide in spite of request
Southend	£169,000	2 enforcement officers no full time admin
Uttlesford	£158,000	No dedicated planning team – all enforcement functions are centralised
Braintree	£80,000	2 ½ enforcement officer – no full time admin
Brentwood	£56,000	2 (only 1 post filled) enforcement officers, no full time admin

12. As can be seen the average section in Essex authorities is much smaller than EFDC and from anecdotal evidence take longer to deal with the middling and smaller investigations – if they are investigated at all.

**Reason for decision:**

See report above

**Options considered and rejected:**

Nil

**Consultation undertaken:**

With other Essex Planning Authorities

**Resource implications:**

Budget provision: n/a

Personnel: n/a

Land: n/a

Community Plan/BVPP reference:

Relevant statutory powers:

Background papers: Local Enforcement Plan

Environmental/Human Rights Act/Crime and Disorder Act Implications: n/a

Key Decision reference: (if required) n/a

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## **Report to the Finance and Performance Management Cabinet Committee**



**Epping Forest  
District Council**

**Report Reference: FPM-007-2015/16**

**Date of meeting: 20 July 2015**

**Portfolio: Finance**

**Subject: Financial Issues Paper**

**Responsible Officer: Bob Palmer – (01992 – 56 4279)**  
**Democratic Services Officer: Rebecca Perrin - (01992 - 56 4532)**

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### **Recommendations/Decisions Required:**

**1. To recommend to the Cabinet the establishment of a new budgetary framework including the setting of budget guidelines for 2016/17 covering:**

- (a) The Continuing Services Budget, including growth items;**
- (b) District Development Fund items;**
- (c) The use of surplus General Fund balances; and**
- (d) The District Council Tax for a Band 'D' property**

**2. To recommend to the Cabinet the agreement of a revised Medium Term Financial Strategy for the period to 2019/20, and the communication of the revised Medium Term Financial Strategy to staff, partners and other stakeholders.**

**3. To recommend to the Cabinet a reduction in parish support, in line with the reduction in the central funding this Council receives.**

### **Executive Summary:**

This report provides a framework for the Budget 2016/17 and updates Members on a number of financial issues that will affect this Authority in the short to medium term.

In broad terms the following represent the greatest areas of current financial uncertainty and risk to the Authority

- Central Government Funding
- Business Rates Retention
- Welfare Reform
- New Homes Bonus
- Development Opportunities
- Income Streams
- Waste and Leisure Contracts
- Transformation

These issues will be dealt with in the following paragraphs, taking the opportunity to discuss some areas in greater detail following recent developments. Based on the information contained in the report Members are asked to set out, for consultation purposes, the budgetary structure for 2016/17.

## **Reasons for Proposed Decisions:**

By setting out clear guidelines at this stage the Committee establishes a framework to work within in developing growth and savings proposals. This should help avoid late changes to the budget and ensure that all changes to services have been carefully considered.

## **Other Options for Action:**

Members could decide to wait until later in the budget cycle to provide guidelines if they felt more information, or a greater degree of certainty, was necessary in relation to a particular risk. However, any delay will reduce the time available to produce strategies that comply with the guidelines.

## **Report:**

### General Fund Outturn 2014/15

1. Members have already received the outturn reports together with explanations for the variances. The Statutory Statement of Accounts for 2014/15 is currently being audited so some amendments may still be made to the outturn figures. In summary the General Fund Revenue outturn for 2014/15 shows that Continuing Service Budget (CSB) expenditure was £763,000 above the original estimate and £223,000 higher than the revised. The single largest variance was an adjustment to the opening CSB figures necessary for the change in Non-domestic Rate accounting.
2. The revised CSB estimate for 2014/15 increased from £13.784m to £14.324m with the actual being £14.547m. The main in year changes related to the savings on the directorate restructures (£290k) and the inclusion of the New Homes Bonus (£569k) but this was offset to a degree by the reduction in the income from the market at North Weald (£310k). Other savings were seen on the waste management contract (£63k) and improvements in income (Development Control £140k and rental income £277k). The only other significant cost increase worth mentioning is the £56,000 reduction in administration subsidy receivable from the Department for Work and Pensions.
3. Net DDF expenditure was £873,000 lower than the revised estimate. However £575,000 of this resulted from slippage so both expenditure and financing for this amount has been carried forward to 2015/16, giving a net underspend of £298,000. Three directorates had variances between their revised and actual DDF spending of more than £100,000. The largest variance was £325,000 on Governance, of which £101,000 relates to work on asset rationalisation. In Resources there was an underspend of £233,000, which includes £123,000 for building maintenance. Neighbourhoods had an underspend of £108,000, with the largest single item being a payment to NEPP for redundancies that will now be made in 2015/16.
4. For the non-directorate items there was a total underspend of £114,000. The main reason for this was £100,000 of money from the Heritable bank administration that had been written off. It now seems likely that the Council will recover 100% of the Heritable deposits. The overall movements on the DDF have combined to produce a balance that is higher than previously predicted at £3.599m at 31 March 2015. However, most of this amount continues to be committed to finance the present programme of DDF expenditure, particularly the Local Plan.
5. As the underspend on the DDF is matched by the variance on appropriations, the overall variance in the use of the General Fund Revenue balances is equal to the CSB overspend of £71,000. This translates into a reduction in balances of £64,000 compared to the revised estimate of an increase of £7,000. The other movement on the General Fund Revenue balance was the transfer of £500,000 to create the Invest to Save fund.



## The Updated Medium Term Financial Strategy

6. Annexes 1(a/b) show the latest four-year forecast for the General Fund. This is based on adjusting the balances for the 2014/15 actuals, allowing for items already approved by Council and other significant items covered in the report. The annex (1b) shows that revenue balances will increase by £49,000 in 2015/16 before reducing in subsequent years by £151,000 in 2016/17, £110,000 in 2017/18, and £88,000 in 2018/19 before reducing by £48,000 in 2019/20.

7. For some time Members have aligned the balances to the Council's 'Net Budget Requirement' (NBR), allowing balances to fall to no lower than 25% of NBR. The predicted balance at 1 April 2016 of £9.342m represents nearly 73% of the anticipated NBR for next year (£12.852m) and is therefore somewhat higher than the Council's current policy of 25%. However, predicted changes and trends mean that by 1 April 2020 the revenue balance will have reduced to £8.945m. This still represents 66% of the NBR for 2019/2020 (£13.39m).

8. The financial position as at 1 April 2015 was not significantly different from what had been anticipated, reflecting the success of the cost control measures put in place. Further work was done on the 2014/15 revised estimates to identify and reduce budgets with a history of underspending. However, the outturn has shown that there are some areas where this has now been exhausted.

9. The target saving for 2016/17 has been reduced from the original level of £250,000 to £150,000. This is followed by targets of £150,000 for 2017/18, and £350,000 for 2018/19 and 2019/20. These net savings could arise either from reductions in expenditure or increases in income. If Members feel that the levels of net savings being targeted are appropriate, it is proposed to communicate this strategy to staff and stakeholders.

10. Estimated DDF expenditure has been amended for carry forwards, supplementary estimates and income shortfalls and it is anticipated that there will be £1m of DDF funds available at 1 April 2020. The four-year forecast approved by Council on 17 February 2015 predicted a DDF balance of £873,000 at the end of 2018/19.

11. Capital balances have been updated for recent outturn figures and the costs of taking forward the retail park at Langston Road. It is not anticipated that there will be any unallocated capital receipts available in future.

## Continuing Services Budget

12. The CSB overspend against revised estimate was £0.223m, compared to a £0.551m saving in 2013/14. Within the overall overspend there was the usual small saving on the salaries budget. The salaries budget in total is approximately £20.5m and the General Fund underspend was just over £100,000. As vacancies have been removed from the establishment and the new directorate structures are much leaner the vacancy allowance has been reduced from 2.5% to 1.5% and the outturn much more closely matches the estimate.

13. There is currently an under spend on the salaries budget in 2015/16 and this is expected to continue, although without returning to the previous higher level. The aggregate overspend this year has partly arisen from efforts in recent years to ensure that budgets are closely aligned with actual spending in prior years.

14. Previously it has been agreed that CSB expenditure should not rely on the use of balances to provide support but should be financed only from Government grant (RSG + Retained NDR) and council tax income. This means that effectively the level of council tax will dictate the net expenditure on CSB or the CSB will dictate the level of council tax. As Members have not indicated any desire to significantly increase the council tax, it is clear that the former will be the determinant. The four-year forecast, agreed in February, included the

assumption that Council Tax would increase annually by 2.5% from 2016/17. The Summer Budget made no mention of Council Tax capping, referendum limits or freeze grants. Therefore, at the moment the MTFs has maintained the previous assumption and includes an increase in the Council Tax of 2.5% for 2016/17.

15. The latest four-year forecast (annexes 1a & b) show that the original budget for 2015/16 missed that objective, as funding from Government Grants and Local Taxpayers was £42,000 below CSB. The revised estimate for this year shows no change in CSB for 2015/16, although the revised funding figure is £91,000 higher which creates the increase in reserves of £49,000.

### Central Government Funding

16. As the significant changes were introduced from the start of 2013/14, it seems appropriate to drop some of the background previously provided as part of this report while Members became familiar with the new system. We now need to be looking forward as we will not be returning to a position without Local Council Tax Support or the 2010/11 level of formula grant at £9.415m. The table below sets out funding to date under the new system.

	<b>2013/14 £m</b>	<b>2014/15 £m</b>	<b>2015/16 £m</b>
Formula Grant	6.050	Not known	Not known
Homelessness Grant	0.113	Not known	Not known
Local Council Tax Support Grant	1.119	Not known	Not known
<b>Funding Assessment</b>	<b>7.282</b>	<b>6.375</b>	<b>5.393</b>
Decrease £	n/a	0.907	0.982
Decrease %	n/a	12.5%	15.4%

17. By providing only figures at the Funding Assessment level for 2014/15 and 2015/16 the DCLG has prevented a detailed comparison with earlier periods. However, it can still be seen that in three years under this new system funding reduces by £1.889m or by 25.9%.

18. The Summer Budget offered some comfort to people worried about cuts in public expenditure after the previous budget in March this year. There is a relative easing of the austerity programme with the first surplus put back from 2018/19 to 2019/20 and £17 billion more of borrowing to 2019/20. This means reductions in expenditure will not be as drastic, although the budget announcements on additional funding for defence and the NHS mean Local Government should not be too optimistic.

19. The Chancellor is looking for reductions of £37 billion in total and the Summer Budget gave detail of the £12 billion to come from welfare and the £5 billion of additional income from clamping down on tax avoidance. We will have to wait until the autumn and the conclusion of the Spending Review before we know where the other £20 billion will be taken from. This means we currently have to rely on educated guesswork to get to our Funding Assessment for 2016/17 and beyond. It is clear there will be further reductions in grant funding and in the revised MTFs we have assumed annual reductions of 10% throughout the period in the grant element of the Funding Assessment. This assumption will be revisited when better information becomes available.

20. As part of abolishing Council Tax Benefit and introducing LCTS the DCLG had to determine whether parish councils would be affected by the reduction in council tax base or left outside the calculations. Despite the consultation responses on the scheme being massively in favour of tax base adjustments only at district level the DCLG decided that parish councils should also be affected. One of the problems with this decision is that DCLG does not have a legal power to make grant payments direct to parish councils. This meant the

funding for these councils had to be included in the grants to districts and it was then for districts to determine how much of the grant was passed on. Members determined that parish councils should be fully protected from this change for 2013/14, a decision not shared by many authorities across the country. This meant that the figure notionally relating to parishes of £312,810 was topped up with an additional £7,460 to £320,270.

21. We do not have separate figures now for Local Council Tax Support, let alone a detailed split between the district and the parishes. In the absence of this information it was fair to assume the overall reductions of 12.5% and 15.4% were common to each element of the Funding Assessment. Funding to parish councils was reduced on that basis in 2014/15 and 2015/16. As our reduction is not yet known for 2016/17 I cannot recommend a specific value to reduce this funding, but it is important that the principle applied in previous years is maintained.

### Business Rates Retention

22. As with the previous section, I will not repeat the background information on business rates retention as the system has now been with us for a couple of years. I will not explain “Tariffs” and “Top Ups” again but it is worth a reminder that we collect nearly £34m but retain less than £3.5m, or just over 10%.

23. Unfortunately the local retention of Non-Domestic Rates has not gone as smoothly as we would have liked. We have remained successful at collecting Non-Domestic Rates and 2014/15 again saw performance exceed the target set by Members. The outcomes that have been less positive arise from design flaws in the system that are beyond the Council's control. When the system started it was not with a clean slate as authorities were required to take on the liabilities for all of the outstanding appeals, instead of this problem remaining with central government.

24. There is nothing within the current system to discourage speculative appeals that have no justification from coming forward. This meant it was no surprise that the deadline of 31 March 2015 for raising appeals against the 2010 valuation list produced an avalanche of new appeals. Several hundred new appeals were received and amongst the many spurious cases there are some of potentially national significance. All of the more traditional supermarket chains have raised appeals on their store valuations, to reflect the lower trading levels since the arrival of their newer discounting rivals. There probably is not a single council in the country that does not have several supermarkets operated by the traditional operators and so any significant reduction in valuations will impact not only on individual councils but also on the overall system.

25. Even before the fresh influx of appeals the Valuation Office Agency (VOA) had a huge backlog and has shown itself completely incapable of dealing with the additional pressures of the new system. This means we have a vast number of outstanding appeals with no realistic prospect of most of them being resolved in the short term and because of the uncertainty on the value of their ultimate settlement we have to make some provision against them. Given the number of new appeals and the short space of time between receiving notifications of the appeals from the VOA and having to prepare the 2014/15 accounts, a different methodology had to be applied in dealing with these appeals to those that we had known about for longer. The bottom line here is that it has been necessary to double the provision for these appeals from £1.5m to £3m.

26. The other key design flaw in the system is that the General Fund and the Collection Fund account for items in different years. This means the loss on the Collection Fund that has resulted from the increased provision for appeals will not be reflected in lower income to the General Fund until 2016/17. This rather odd situation means it appears that we have more income in 2014/15 than planned but the reality is we have less, we just leave it a while before we account for it. This is reflected in the Collection Fund Adjustment line shown within the

MTFS. For 2015/16 the deficit on business rates of £253,000 is largely off-set by a Council Tax surplus of £211,000. The effect is more noticeable in 2016/17 where the deficit on business rates of £439,000 is significantly larger than the Council Tax surplus of £170,000. Although it must be remembered that these deficits are based on the provisions for appeals and so ultimately the figures may vary significantly from our current predictions.

27. The risks and rewards of pooling have been considered several times and for the first time there was a wide consensus across Essex that a pool should be formed for 2015/16. This decision was arrived at following extensive financial modelling that showed the lower levy rate achieved meant an additional £3.431m would be retained across the pool, with this Council gaining approximately £136,000. The late surge of appeals referred to above may affect the viability of the pool and this will be closely monitored during the year with the other nine authorities in the pool.

28. Historically we have seen growth in the rating list each year and with the sites covered in the section on development opportunities there are good prospects for future growth. As we cannot yet accurately predict completion dates or rateable values for the developments the MTFS has not assumed any growth for these sites. This is a very prudent position that will be considered again as the budget cycle moves forward.

### Welfare Reform

29. The primary focus of the Summer Budget was the latest phase of welfare reforms which are intended to reduce the annual welfare cost by £12 billion. This has been achieved through significant reductions to tax credits and the welfare cap and by requiring social landlords to reduce their rent by 1% each year for the next four years. The change in rent setting was a complete surprise and directly contradicts the previous policy of allowing increases above CPI. The business plans and borrowings of social landlords were based on the previous policy that we had been told would be in place for ten years. In common with other providers we will now have to re-evaluate our business plan and consider options such as reverting to the decent homes standard or amending our plans to repay debt. This may also impact on the building of new homes, the national estimate given by the Office for Budget Responsibility was a reduction of 14,000. Whilst the rent restriction will keep the national bill for housing benefit lower than it would otherwise have been it is another policy that has been imposed with little regard for the effect on local authorities.

30. The reduction in tax credits is also likely to have a direct negative effect on local authorities. Tax credits are part of the income that is included in the calculation of entitlement to Local Council Tax Support (LCTS), reducing this income will increase the number of people entitled and the amounts they are entitled to. So a central government saving on tax credits will increase the costs to local authorities of their LCTS schemes. This presents us with a choice, we can either reduce the amount of money allocated for LCTS and consequently increase the size of the bills for those receiving support or we can subsidise LCTS by making reductions in other General Fund areas to pay for it. Which of these options an individual supports will probably be influenced by whether or not they are currently paying all of their Council Tax.

31. Some residents will receive council tax bills for the first time because of these changes. Charging too much is likely to result in first time payers ignoring the debt because they have no realistic prospect of paying. Likewise charging too little could have the same effect due to a belief that it is not cost effective to enforce such a small debt. So in trying to claw back any increase in cost through increasing the charge, from the 20% that has been in place for the first three years of LCTS, to 30% or more we need to be careful that we do not create a situation where we actually end up collecting less. The collection rate for people previously on 100% Council Tax Benefit is nearly 20% lower than that achieved for non-benefit/support cases.

32. The introduction of the previous Benefits Cap at £26,000 did not have a dramatic impact across the district. However, the current reduction by £6,000 to £20,000 is likely to cause greater changes in people's behaviours and working patterns. It should certainly encourage those that are able to work to do more work, as should the introduction of the National Living Wage. With a number of compensating changes taking place at once it is difficult to predict the outcomes. At this stage we have to hope there will be an increase in employment and earnings although it is possible that we will see more rent and Council Tax arrears and homelessness and increase in LCTS costs. The Institute for Fiscal Studies have been critical of the Summer Budget as they predict it will hit the poor hard.

33. The other major change that has received considerable media coverage is the replacement of a collection of different benefits with a single Universal Credit (UC). Before the general election I had predicted that whatever the outcome of the election there would be a re-evaluation of this programme and significant changes to it. I was wrong, as the programme has been retained as it is and Mr Duncan-Smith continues to oversee it at the Department for Work and Pensions (DWP). This district is in the fourth tranche of the roll out and so will start making UC payments in December 2015 to new single claimants. However, those payments will not cover couples, families or the disabled who still sit outside UC and so we will be operating the current housing benefit system in parallel with UC. The latest estimate from the Major Projects Authority is that UC will not be fully operational until April 2020. There is still no clarity over the time period and process for the migration of our existing housing benefit claims to Universal Credit. The DWP is still to decide on the role it wants local authorities to perform under the new system.

#### New Homes Bonus

34. The amount of New Homes Bonus (NHB) payable for a year is determined by the annual change in the total number of properties on the council tax list in October. This means that the bonus is payable on both new housing and empty properties brought back in to use. The increase in the tax base is multiplied by a notional average Council Tax figure of £1,439, with an additional premium for social housing. The calculated figure is then shared with 20% going to the county council and 80% to the district, with the amount being payable for six years. There are still three months to go before the additional amount for 2016/17 will become clear, but based on the position at 1 June it appears we should receive approximately £230,000.

35. In the lead up to the general election there was concern that the NHB might have been removed or diminished in some way. The Labour party were very clear in their manifesto that they would stop NHB and put the top-sliced funding back into the general grant allocation mechanism. There is still a concern that the scheme may be amended or restructured as many areas of the country are unhappy with the re-distributional effect it has. It is possible that this could be linked to changes in the planning system as the government clearly still sees local authorities as obstructing housing development. An alternative allocation system may not be as generous to this Council but the funding would not be completely lost as any new allocation system normally has floors and ceilings to prevent large fluctuations in funding in any one year.

36. Another concern is that the high levels of NHB income arising in 2011/12 £424,000, 2012/13 £566,000 and 2013/14 £558,000 may not be repeated in subsequent periods. The scheme operates over a rolling six year period and so the £424,000 that was first paid in 2012/13 will drop out for 2018/19. If the income arising in respect of 2017/18 is lower, as has been the case for 2014/15 and will also be the case for 2015/16, then the total NHB due will reduce. To include the full £230,000 in 2016/17 would take the NHB income in the CSB to £2.33 million. However, it may be prudent to cap the NHB CSB figure at £2.2 million and take any amount above that to the DDF. This can be reviewed again later in the budget cycle and in subsequent periods when there is more certainty about the future of the scheme and the amounts we will receive from it.

## Development Opportunities

37. There is a separate Cabinet Committee for co-ordinating asset management issues so I do not intend to devote too much space to developments. However, it is necessary to touch briefly on the number of opportunities that currently exist in the district and their potential benefits. This is particularly important given the increased significance of retained business rates.

38. Following the decision of Council to proceed with the retail park without a joint venture partner, the land has now been acquired. An opening date of Christmas 2016 has been targeted but depending on the size and nature of any construction issues this may slip to Easter 2017. As the project progresses during the budget cycle there should be a clearer idea of the size of the rental stream and when it will commence. This will influence the decision on the structure of the borrowing necessary to support the project. Initial discussions have been held with Arlingclose and work is continuing to model the future cashflows.

39. Progress has been less encouraging with the mixed use re-development of the St Johns area in Epping. The land acquisition from ECC has taken much longer than anticipated. It will be a considerable relief when it is finally possible to complete the purchase of their land. Other possibilities for Waltham Abbey and North Weald are also being evaluated.

40. The income in the MTFs has not been adjusted but the capital projections have and it is clear that the retail park will use up the available capital receipts. This will require a different way of thinking in the future as capital will no longer be freely available and borrowing costs will need to be considered as part of any options appraisals.

## Income Streams

41. At this time last year there was concern about several of the key income streams that are monitored on a monthly basis. During the second half of the year most of the income streams performed well and the outturn for some exceeded the revised estimate. The position for this year at the end of June is –

Activity	Annual Estimate	Estimate to end June	Actual to end June	Possible Shortfall/(Surplus)
Off Street Parking	£1,200,790	£200,416	£211,396	on target
Building Control	£386,000	£106,550	£125,348	(£40,000)
Dev. Control	£595,000	£131,320	£197,539	(£100,000)
Land Charges	£215,000	£59,860	£49,541	£40,000
Licensing	£295,060	£61,130	£61,274	on target
Fleet Ops.	£230,340	£60,780	£61,564	on target

42. It is too early in the year to draw strong conclusions from this data as monthly trends do fluctuate between years and one or two large applications can make a big difference on Development Control. However, at this stage the indications are encouraging and the improved income position in the second half of 2014/15 has continued into 2015/16.

43. There is a note of caution on Land Charges as the legal position of this service and the role that local authorities will play in the future is uncertain. There is also a shortfall on the income for the first quarter, although this is more than outweighed by the very positive first quarter for Development Control.

44. A key income stream worth commenting on is the market at North Weald. After a succession of amendments to the rental agreement the Council has decided to look at other income generating opportunities on the site and re-tender. The current operator has been given notice and his agreement will finish at the end of December 2015. The CSB estimates will be adjusted once it is clear what use will be made of the area in future and the income that this will provide.

45. There is also a note of caution on the off street parking income. This is currently in line with the profiled estimate but the new parking fees are being introduced in July and so it remains to be seen how the users of the car parks will respond to these changes. The position on all of the income streams set out above will continue to be carefully monitored.

### Waste and Leisure Contracts

46. Two of the Council's high profile and high cost services are provided by external contractors, Biffa for waste and SLM for leisure. Following an extensive competitive dialogue procedure Biffa took over the waste contract in November 2014. The contract hand over and the first six months of the new service went well. However, in May the service was re-organised on a four day week basis and considerable difficulties were encountered. The service has now been stabilised with Biffa committing significant additional resources. The service was procured at a lower cost and the savings were included in the MTFs. Biffa are confident that they will be able to fulfil their obligations at the price they tendered and have indicated that the additional resources will stay in place until the transition is completed.

47. The leisure management contract was due to expire in January 2013 but an option was exercised that extended the contract for three years. A Leisure Strategy has been prepared and this included the intention to follow a similar route to the waste procurement with the use of competitive dialogue. It now appears unlikely that the new contract will be let before the old contract has expired so a negotiation will be needed to extend the current contract. The MTFs had anticipated the new contract would commence during 2016/17 and includes CSB savings of £125,000 in 2016/17 and a further £125,000 in 2017/18. The size and timing of these savings will be kept under review as the budget develops.

### Transformation

48. A budget of £150,000 was included in the DDF for 2014/15 to allow the Chief Executive to take forward Transformational Projects. This funding has now been re-phased with £75,000 in 2015/16 and £75,000 in 2016/17. The bulk of the money, approximately £110,000, will be spent on a fixed term 18 month contract for additional resource at the Assistant Director level.

49. As part of the revised estimates for 2014/15 Members created an Invest to Save budget of £0.5m. This fund is intended to finance schemes which can produce reductions to the net CSB requirement in future years. There have been a limited number of schemes coming forward to date but more should be developed as the budget progresses.

### DDF

50. The carry forward of £575,000 represents a decrease of £107,000 on the £682,000 of slippage for 2013/14. The two largest carry forwards are for the asset rationalisation programme (£111,000) and the Transformation item mentioned above (£75,000). The financial forecast shows that not all DDF funding is currently allocated to schemes, it indicates that approximately £1m of DDF will be available at 1 April 2020. However, a recent financial update to Cabinet for the Local Plan indicated that this is likely to consume most of the fund.

## The Capital Programme

51. The Government's attempt to boost right to buy sales by increasing the discount that tenants can receive to £75,000 has been successful. In 2013/14 sales increased to 53 from 13 in 2012/13 and this trend was maintained in 2014/15 with 46 sales. There have been a further 6 sales in the first three months of 2015/16. The Capital Programme has been adjusted to reflect this higher level of Council house sales.

52. Significant receipts have previously been generated through the sale of other assets. Land values in some areas are starting to improve again and a number of potential projects are currently being evaluated. As non-housing receipts are not included in the estimates before completion has occurred no allowance has been made in the MTFs.

53. The capital outturn report considered by the Finance and Performance Management Cabinet Committee on 18 June 2015 highlighted that the variance of £3.9m was a substantial increase on the previous year's figure of £2.6m. Non-housing expenditure was £2.5m below the estimate at £5.6m, whilst housing expenditure of £13.8m was £1.4m below the estimate of £15.2m. The slippage in the programme will be carried forward to subsequent periods.

## A revised Medium Term Financial Strategy

54. Annexes 1 (a & b) show a four-year forecast with target levels of savings to bring the projections closer to the policy of keeping reserves above 25% of the NBR. The net savings included are £150,000 for the two years 2016/17, 2017/18 before increasing to £350,000 for 2018/19 and 2019/20. These savings would give total CSB figures for 2015/16 revised of £13.348m and 2016/17 of £13.003m.

55. This proposal sets net DDF expenditure at £1.844m for the revised 2015/16 and £550,000 for 2016/17, and given the possibility of other costs arising, it is likely that the DDF will be used up in the medium term.

56. No predicted non-housing capital receipts are being taken into account, as any disposals are still some way off. Over the period of the MTFs the balance shown at Annex 1 (b) on the Capital Fund is used up entirely. As already stated above, this will be the first time capital resources are not freely available and a change in thinking is needed to ensure any capital proposals include borrowing costs.

57. Previously the Council has taken steps to communicate the MTFs with staff, partners and other stakeholders. This process is still seen as good practice and a failure to repeat the exercise could harm relationships and obstruct informed debate. If Members agree, appropriate steps can be taken to circulate either the full strategy or a summarised version.

## The Council Tax

58. The Summer Budget contained no information about further incentives for authorities to freeze the Council Tax for 2016/17. In the absence of any other information the assumption included in the MTFs approved by Council in February 2015 has been maintained and an increase of 2.5% has been applied for 2016/17 and subsequent years.

## Conclusion

59. The Council remains in a strong financial position as the overspend in 2014/15 was not significant. It is comforting at this time to have substantial reserves as, whilst the General Election has delivered greater political certainty than had been anticipated, there remains a lot of funding and financial uncertainty.



60. The Summer Budget dealt with welfare and tax avoidance but we have to wait for the autumn (and experience tells us that there are different interpretations of what that means) and the conclusion of the Spending Review before finding out where the other £20 billion of savings will come from. It is clear that Local Government will have to play its part in reducing the deficit, but the size of that part is to be determined. The new Secretary of State seems committed to a much more collaborative approach towards Local Authorities.

61. There is also great uncertainty over what the final settlement figures will be for all of the business rate appeals and whether pooling will prove a success. Other questions remain in service areas, such as the timing and size of the savings from the new leisure contract and the outcome of the tender exercise to replace the market at North Weald.

62. For the moment we have to make prudent assumptions and look to see how we can best safeguard the Council's finances for the future. The updated MTFs sets out a programme of net savings that should be achievable and our financial strength allows us to look for the necessary savings over the medium term. This process will be assisted by having the Invest to Save fund to help with initial funding or investment, which should allow some more creative solutions to be developed.

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## GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2014/15 - 2018/19

ORIGINAL 2015/16	REVISED FORECAST 2015/16	FORECAST 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20
£'000 <b>NET REVENUE EXPENDITURE</b>	£'000	£'000	£'000	£'000	£'000
13,921 Continuing Services Budget	13,921	13,563	13,564	13,714	13,788
-573 CSB - Growth Items	-573	-410	-117	0	0
0 Net saving	0	-150	-150	-350	-350
<b>13,348 Total C.S.B</b>	<b>13,348</b>	<b>13,003</b>	<b>13,297</b>	<b>13,364</b>	<b>13,438</b>
1,129 One - off Expenditure	1,844	550	203	0	0
<b>14,477 Total Net Operating Expenditure</b>	<b>15,192</b>	<b>13,553</b>	<b>13,500</b>	<b>13,364</b>	<b>13,438</b>
-2 Contribution to/from (-) Other Res	-2	0	0	0	0
-1,129 Contribution to/from (-) DDF Balances	-1,844	-550	-203	0	0
-42 Contribution to/from (-) Balances	49	-151	-110	-88	-48
<b>13,304 Net Budget Requirement</b>	<b>13,395</b>	<b>12,852</b>	<b>13,187</b>	<b>13,276</b>	<b>13,390</b>
<b>FINANCING</b>					
2,204 Government Support (NNDR+RSG)	2,205	1,985	1,786	1,607	1,447
3,434 District Non-Domestic Rates Precept	3,616	3,239	3,271	3,304	3,337
7,616 District Council Tax Precept	7,616	7,897	8,129	8,365	8,606
50 Collection Fund Adjustment	-42	-269	0	0	0
To be met from Government 13,304 Grants and Local Tax Payers	13,395	12,852	13,187	13,276	13,390
Band D Council Tax	148.77	152.46	156.33	160.24	164.25
<b>Percentage Increase %</b>		2.5	2.5	2.5	2.5

## GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2014/15 - 2018/19

	REVISED FORECAST 2015/16	FORECAST 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20
<b>REVENUE BALANCES</b>	£'000	£'000	£'000	£'000	£'000
Balance B/forward	9,293	9,342	9,191	9,081	8,993
Surplus/Deficit(-) for year	49	-151	-110	-88	-48
Balance C/Forward	9,342	9,191	9,081	8,993	8,945
<b>DISTRICT DEVELOPMENT FUND</b>					
Balance B/forward	3,599	1,755	1,205	1,002	1,002
Transfer Out	-1,844	-550	-203	0	0
Balance C/Forward	1,755	1,205	1,002	1,002	1,002
<b>CAPITAL FUND (inc Cap Receipts)</b>					
Balance B/forward	19,534	0	0	0	0
New Usable Receipts	1,559	1,555	1,555	1,555	1,555
Use of Capital Receipts	-21,093	-1,555	-1,555	-1,555	-1,555
Balance C/Forward	0	0	0	0	0
<b>TOTAL BALANCES</b>	11,097	10,396	10,083	9,995	9,947

## **Report to the Resources Select Committee**

**Date of meeting: 13 October 2015**



**Portfolio: Technology and Support Services**

**Subject: Energy savings and improved management process update.**

**Responsible Officer: David Newton (01992 564580).**

**Democratic Services Officer: Adrian Hendry (01992 564246).**

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### **Recommendations/Decisions Required:**

- (1) To note the progress made by energy consultants, Smith Bellerby (SB), with energy saving and data consolidation and;**
- (2) To recommend that SB be retained for an additional year.**

### **Executive Summary:**

The management and payment of energy supplies has historically been spread across numerous Directorates and over time, information has become fragmented. Assistance was required to produce an accurate consolidated database, identify potential savings and streamline current working practices. Smith Bellerby has a proven track record within Essex, having carried out similar successful exercises at Braintree, Uttlesford and Colchester.

### **Reasons for Proposed Decision:**

The Resources Select Committee have requested an update on the progress made with regard to energy savings and improved management process.

### **Other Options for Action:**

Not to extend the SB contract. However, EFDC currently have insufficient resources or in house skills to carry out this task and to employ skilled, additional members of staff would cost more than the £20k annual charge from SB.

## **Report:**

1. Whilst submitting information to the Department of Energy and Climate Change (DECC) on energy usage, it became apparent that there was no Corporate approach or central database detailing the energy supplies EFDC were responsible for. Each Directorate processed their own invoices on an individual basis. This raised concerns that both efficiency and best value for money was not being achieved. It became apparent that a central, well-resourced unit was required to create a co-ordinated solution.
2. EFDC did not have either the resources or skill sets to address this issue. Therefore SB, who are energy cost reduction specialists, were approached to assist.
3. SB started in May 2015. All energy invoices are now re-directed to them. SB collates all of the information and then produces periodic electronic files which are processed directly into the EFDC finance system. Previously, paper invoices (around 5000 per annum) were sent to the individual sections, these were checked, recorded, coded and then sent to the corporate invoicing section. They were then re-checked, batched and then manually entered into the finance system. The invoice processing element alone utilised at least 2 weeks of a full time post each month. The electronic payment file now takes a maximum of 3 hours to process. In the event of any dispute, SB deal directly with the energy companies on our behalf.
4. Although the earlier process was fragmented, the various independent teams across the Council did an excellent job of checking invoices and to date, only minor errors and credits have been identified.
5. However, apart from the massive time saving costs highlighted above, the largest savings are from the transfer of gas and electricity supplies to cheaper tariffs. So far 37 supplies have been identified for transfer and a conservative annual saving of £13,000 is anticipated. In addition, there may also be scope to reduce available capacity charges for two of the larger electricity supplies, potentially yielding additional savings of £3,300 pa. Small additional savings of around £500 pa will also be achieved on tidying up the meter operator and data collector contracts.
6. The majority of savings have now been identified during the first year of this contract. However, it is felt that the time savings generated by e-invoicing and by SB dealing with the numerous ongoing disputes, fully justify extending this contract for at least another year. There would be no additional funding required to facilitate this.

### **Resource Implications:**

None. Funding will be covered from existing Facilities Management & Neighbourhoods budgets.

### **Legal and Governance Implications:**

None.

### **Safer, Cleaner and Greener Implications:**

Reduce consumption and allow accurate annual reporting on greenhouse gases to the Department of Energy and Climate Change (DECC). In addition, Government legislation with regard to the Carbon Reduction Scheme is likely to become stricter. EFDC do not currently meet the criteria which would require us to provide detailed information of our energy consumption. However, it is by no means certain that we will not be included in the future, which could ultimately result in the payment of an additional levy calculated on our CO<sub>2</sub> emissions. Therefore it is vital that we have accurate information and proof of energy efficiency.

**Consultation Undertaken:**

Liaison with Essex Partners (EOLP)

# Due Regard Record

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

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<b>Date / Name</b>	<b>Summary of equality analysis</b>
26/08/15 <b>David Newton</b>	The energy saving and improved management process or the selection of Smith Bellerby will have no impact on equalities or discrimination to any groups of people.

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## **Report to the Resources Select Committee**

**Date of meeting:** 13 October 2015



**Portfolio:** Technology and Support Services

**Subject:** Telephone Monitoring Statistics

**Responsible Officer:** David Newton (01992 564580).

**Democratic Services Officer:** Adrian Hendry (01992 564246).

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### **Recommendations/Decisions Required:**

- (1) To note the telephone monitoring statistics for quarter one 2015/2016

### **Executive Summary:**

The Finance and Performance Management Scrutiny Panel (FPMSP) (now Resources Select Committee) decided at the meeting on 10 March 2015 that new reporting definitions on call handling should relate to;

- i) The percentage of abandoned calls; and
- ii) The number of calls sent directly to the voicemail system.

The Committee requested that these statistics be reported on a quarterly basis.

### **Reasons for Proposed Decision:**

The Resources Select Committee have requested an update on the progress made with regard to monitoring the telephone statistics.

### **Other Options for Action:**

None.

**Report:**

1. Monitoring figures for January 2015 were presented during the aforementioned meeting. At that time, the percentage of abandoned and voicemail calls for the combined workgroups and contact centres was 9% and 4% respectively.
2. A summary of overall performance from April to June 2015 is shown below.

<b>Month</b>	<b>% Abandoned</b>	<b>% Voicemail</b>
<b>January</b>	9	4
<b>April</b>	6	7
<b>May</b>	12	6
<b>June</b>	9	7

3. To assist in identifying trends, appendix 1 shows the monthly breakdown of abandoned & voicemail calls as a percentage in a graphical format. Likewise, appendix 2 is a graphical representation of total calls answered, abandoned and sent to voicemail.
4. Unfortunately, the massive increase in calls caused by the problems encountered with the new waste contract has skewed the figures for this quarter. However, there was a noticeable drop in abandoned calls between January and April, prior to the waste contract complications. With the waste contract settling down and call rates returning to normal, it is anticipated that abandoned and voicemail calls will drop below their current % level.

**Consultation Undertaken:**

None required.

**Background Papers:**

FPMSP minutes 10 March 2015

# Due Regard Record

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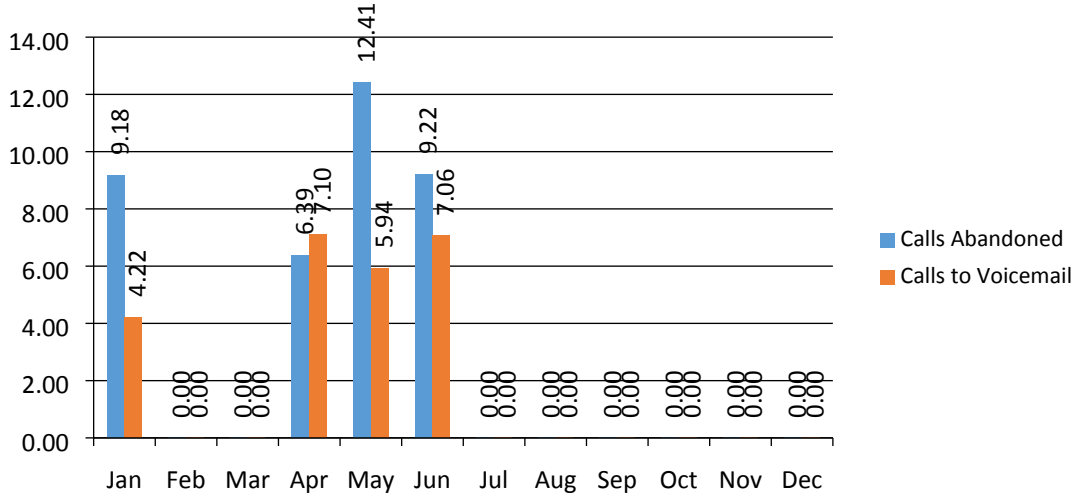
S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

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<b>Date / Name</b>	<b>Summary of equality analysis</b>
2/09/15 <b>David Newton</b>	The process of producing performance statistics will have no impact on any equality issues.

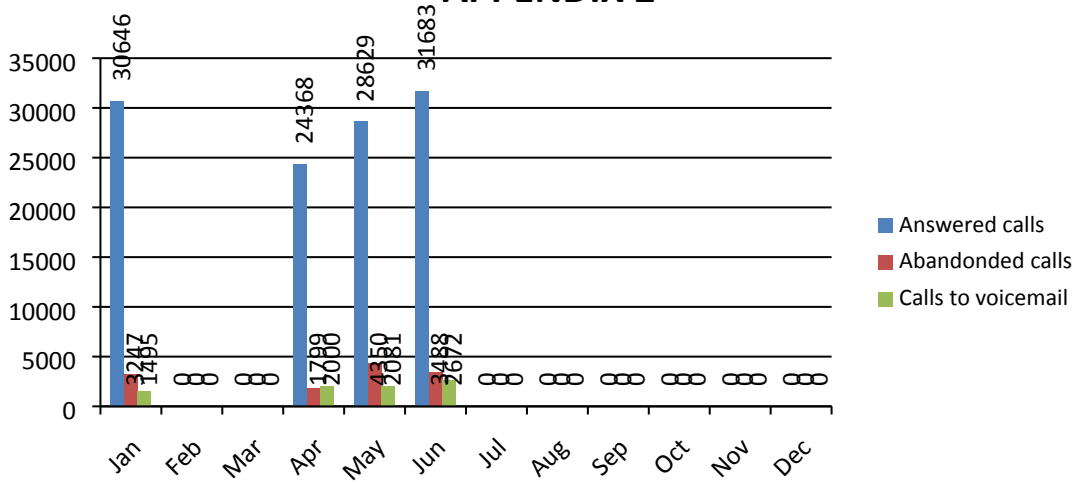
### Abandoned & Voicemail calls %

#### APPENDIX 1



### Breakdown of number of calls received

#### APPENDIX 2



## **Report to Resources Select Committee**

**Date of meeting: 13<sup>th</sup> October 2015**

**Portfolio: Housing – Cllr D. Stallan**

**Subject: Charging Plan for Housing Related Support Services**



**Officer contact for further information:** Alan Hall – Director of Communities (01992 564004)

**Committee Secretary:** Adrian Hendry (01992 564246)

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### **Recommendations:**

That the Select Committee considers the following proposals of the Housing Portfolio Holder for a Charging Plan for future charges in respect of Housing Related Support (HRS) Support Services and makes comments and recommendations to the Finance and Performance Management Cabinet accordingly:

(1) That the separate charges for the Council's Careline Service, Scheme Management Service and Intensive Housing Management Support be increased annually in accordance with the following principles:

- (a) The expected amount of reduction in ECC funding for the forthcoming year should be added to the current service deficit (or subtracted from the current service surplus) - this is the total deficit/surplus to be recovered/repaid;
- (b) The deficit for the Scheme Management Service should be recovered over a 10 year period and should therefore be divided by the number of years remaining between April 2016 and April 2026 - this is the service deficit to be recovered in the forthcoming year;
- (c) Any deficit/surplus for the Careline Service should be recovered/repaid in the following year - this is the service deficit/surplus to be recovered/repaid in the forthcoming year;
- (d) The prevailing level of annual pay increases, as calculated by the Office of National Statistics (ONS), should then be applied to the total current income received from current charges and added/deducted to/from the service deficit/surplus to be recovered/repaid, in the forthcoming year - this results in the total amount to be recovered/repaid in the forthcoming year;
- (e) The total amount to be recovered/repaid should then be spread across service users, in the same proportions as currently, as follows:
  - Scheme management and intensive housing management charges - Sheltered tenants and area tenants; and
  - Careline charges – Council tenants and private users;

- (f) The resultant monetary increase (but not the percentage increase) for those both in receipt and not in receipt of housing benefit should be the same;
  - (g) The increase for those not in receipt of housing benefit should be no more than 10% in any one year; and
  - (h) The methodology used to calculate the increases in accordance with the above principles should be as set out at Appendices 2 and 3;
- (2) That only 50% of the expected ECC HRS funding reduction in 2016/17 is taken into account when calculating HRS charges for 2016/17; and
- (3) Accordingly, using the above principle and the methodology at Appendices 2 and 3, the HRS charges for 2016/17 be set as follows:

**Careline**

<b>Council tenants:</b>	
<i>Self-funders</i>	- £3.60 per week
<i>In receipt of housing benefit</i>	- £0.55 per week
<b>Private users</b>	- £112 per annum

**Scheme Management**

<b>Sheltered tenants:</b>	
<i>Self-funders</i>	- £8.30 per week
<i>In receipt of housing benefit</i>	- £1.26 per week
<b>Area tenants:</b>	
<i>Self-funders</i>	- £2.09 per week
<i>In receipt of housing benefit</i>	- £0.32 per week

**Intensive Housing Management (not paid by those in receipt of housing benefit)**

<b>Sheltered tenants</b>	- £1.46 per week
<b>Area tenants</b>	- £0.37 per week

**Executive Summary:**

Although the Careline Service now breaks even when its income is compared to its expenditure, there is currently a deficit on the income received for the Council's scheme management service. The Council is dependent on funding for Housing Related Support (HRS) services from Essex County Council (ECC), which is reducing in 2016/17 and is likely to reduce further in future years.

The Cabinet has therefore previously agreed that the Housing Portfolio Holder should come forward with a Charging Plan on how HRS charges should be increased each year from April 2016 until the cost of the Scheme Management Service becomes self-funded, having regard to any annual reductions in HRS funding from Essex County Council.

The report therefore proposes a Charging Plan for future years and charges for 2016/17.

**Reasons for Proposed Decision:**

To approve a Charging Plan - to be used to calculate charges for Housing Related Support Services in 2016/17 and future years.

## Other Options for Action:

- (1) Not to seek to eradicate the current deficit for the Scheme Management Service over time.
- (2) To reduce the current service deficit over a different period than the proposed 10 years.
- (3) To take into account the expected ECC funding reduction in full when calculating next year's charges.
- (4) Not to take into account any expected funding reduction when calculating next year's charges
- (5) Not to include an annual increase for average pay increases within the charges for the following year.
- (6) To use RPI, CPI or another index for inflationary increases instead of average pay increases.
- (7) To spread the total amount to be recovered across service users in a different way than proposed.
- (8) To increase charges for tenants both in receipt and not in receipt of housing benefit by the same percentages, rather than the same monetary amounts.
- (9) Not to apply a cap, above which increases for those not in receipt of housing benefit should not be increased
- (10) To apply a different cap, than the 10% proposed
- (11) To also apply a cap above which increases for those in receipt of housing benefit should not be increased – either the same as for those not in receipt of housing benefit, or a different cap.

## Background

1. At its meeting on the 11<sup>th</sup> June 2015, the Cabinet considered a report on the approach to be taken following the Council increasing its Housing Related Support (HRS) charges to private Careline users and Council tenants living in sheltered and other housing designated for older people for 2015/16 by amounts higher than inflation.

2. Housing Related Support covers the Council's:

**Careline Service** - Which is the Council's 24-hour speech alarm service based at Parsonage Court, Loughton;

**Scheme Management Service** - Which is provided by Scheme Managers (previously known as "wardens"), who visit all older tenants in sheltered housing daily, and tenants living in other housing designated for older people on a less frequent basis (dependent on individual tenants' risk assessments) to assess their well-being; to provide any assistance they need to enable them to sustain their tenancy (e.g. co-ordinate their care needs, report repairs, access other Council services etc); to liaise with relatives and carers; and to provide emergency assistance; and

**Intensive Housing Management** – Which is a service charge for housing management services provided to older people, which are more intensive than housing management services provided more generally to tenants, and is not eligible for HRS funding from Essex County Council (ECC). Tenants in receipt of housing benefit receive housing benefit to cover their Intensive Housing Management Service Charge.

3. The Council increased its HRS charges for 2015/16 in order to recover 50% of the expected reduction in the Council's HRS funding from ECC in 2015/16 - that ECC officers had advised would be made – but also included an additional increase to achieve a position whereby the Council's Careline Service would break-even (i.e. become fully self-funded). It was planned that the Council would increase HRS charges by a further amount in 2016/17, in order to recover the remaining 50% of the expected 2015/16 ECC funding reduction.

4. However, in the event (and at a very late stage), ECC decided not to proceed with the planned HRS funding reduction for 2015/16. However, since the Council had already implemented the increased charges and had advised all affected tenants, the Housing Portfolio Holder provided a report to the Cabinet in June 2015 on five options to respond to the associated implications of this late decision by ECC.

5. This options exercise highlighted the fact that the combined income from HRS charges and ECC's funding for the Scheme Management Service no longer bears any resemblance to the cost of the providing the service, due to annual reductions in HRS funding from ECC over the years since 2003. The current deficit for providing the Scheme Management Service is around £50,250 per annum.

6. Having considered the five options, the Cabinet agreed that the HRS charges made to Council tenants and private Careline users for 2015/16 should continue for the remainder of the current year and that the Housing Portfolio Holder should recommend to the Cabinet, in advance of the budget cycle for 2016/17, a Charging Plan on how much HRS charges should be increased each year from April 2016 until the cost of the Scheme Management Service becomes self-funded, having regard to any annual reductions in HRS funding from Essex County Council.

7. It was also agreed by the Cabinet that, due to the deficit that has now developed between the cost to the Council of providing the Scheme Management Service and the income received from tenants through HRS charges, tenants who receive the Scheme Management Service should, over time, be charged appropriate amounts that meet the staffing costs of the Council providing the Service in full, so that all other tenants who do not receive the service (i.e. the majority) are not required to subsidise the costs.

8. Therefore the Cabinet agreed that charges for future years should be increased by amounts above inflation, over a period of time, until the income from charges fund the staffing costs of the Scheme Management Service in full, with the annual pace and amount of annual increases determined by the Cabinet each year.

9. However, as a result of increasing the charges for Careline in 2015/16 and ECC not implementing its planned reduction in funding, the Council's Careline Service now breaks even (i.e. is fully self-funded). However, this will change if the County Council significantly reduces the funding that it contributes to the Council to provide the service in the future.

10. The purpose of this report is therefore to recommend a Charging Plan for future HRS Charges.

### **Current charges**

11. The current (2015/16) charges for the Council's Careline Service are as follows:

#### **Council tenants:**

Tenants not in receipt of housing benefit	£3.58 per week
Tenants in receipt of housing benefit	£0.53 per week

#### **Private users:**

Alarm and up to 4 sensors (Monitoring only)	£109.32 per annum
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12. The current (2015/16) combined Scheme Management and Intensive Housing Management Charges are as follows.

#### **Sheltered tenants:**

Self-funders	£9.28 per week
On-HB	£2.24 per week



**Area tenants:**

Self-funders

£2.35 per week

On-HB

£0.58 per week

**Proposed HRS Charging Plan**

13. As explained above, in the event, ECC did not reduce the Council's funding from April 2015 as expected. However, all providers of telecare services and sheltered housing have recently received a letter from ECC's Head of Commissioning (Vulnerable People), attached as Appendix 1, advising that it is ECC's intention to reduce the funding across Essex from April 2016 by the same amounts that they originally proposed from April 2015 (and consulting providers on the proposal). The letter states that the final decision will be taken by ECC's members in September 2015 and will be confirmed when the Council sets its budget in the New Year, but that ECC wanted to inform providers of the likely impact on their services to enable them to plan for the potential impacts.

14. It therefore now seems somewhat fortuitous that the Council has already increased its HRS charges by amounts equivalent to 50% of ECC's expected funding reduction in readiness for this proposal. However, it should be noted that many other county councils have now reached the position whereby they no longer provide any (or very little) funding for HRS services. It therefore seems only a matter of time until ECC's funding to providers is eradicated totally.

15. In terms of a long-term Charging Plan for HRS services, in order to ensure that the Council's Careline Service continues to break even and that, over time, so does the Council's Scheme Management Service, it is suggested that an approach is agreed that takes account of the following issues:

- The current deficit between the cost of providing the Scheme Management Service and the income received
- The current break-even position of providing the Careline Service between income received and expenditure
- Over what period the Council should aim to eradicate any deficit
- The expected reduction in funding from ECC in the following year
- The prevailing level of annual pay increases, as calculated by Office of National Statistics (ONS)
- The maximum annual increase in HRS charges that should be applied (i.e. a cap)

16. In view of the difference between the staffing cost for the Scheme Management Service and the income received, the likelihood of future reductions in ECC's funding and the need to ensure that annual increases are reasonable, it is suggested that the Council should aim to make its Scheme Management Service break over the next ten years.

17. Accordingly, it is suggested that, for the future, the separate charges for the Careline Service, Scheme Management Service and Intensive Housing Management Support should be increased annually in accordance with the following principles:

- The expected amount of reduction in ECC funding for the forthcoming year should be added to the current service deficit (or subtracted from the current service surplus) - **this is the total deficit/surplus to be recovered to be repaid;**
- The deficit for the Scheme Management Service should be recovered over a 10 year period and should therefore be divided by the number of years remaining between April 2016 and April 2026 - **this is the service deficit to be recovered in the forthcoming year;**

- Any deficit/surplus for the Careline Service should be recovered/repaid in the following year - **this is the service deficit/surplus to be recovered/repaid in the forthcoming year**;
- The prevailing level of annual pay increases, as calculated by the Office of National Statistics (ONS), should then be applied to the total current income received from current charges and added to the service deficit to be recovered, or deducted from any surplus to be repaid, in the forthcoming year - **this results in the total amount to be recovered/repaid in the forthcoming year**;
- The total amount to be recovered/repaid should then be spread across service users, in the same proportions as currently, as follows:
  - Scheme management and intensive housing management charges - Sheltered tenants and area tenants; and
  - Careline charges – Council tenants and private users;
- The resultant monetary increase (but not the percentage increase) for those both in receipt and not in receipt of housing benefit should be the same;
- The increase for those not in receipt of housing benefit should be no more than 10% in any one year; and
- The methodology used to calculate the increases in accordance with the above principles should be as set out at Appendices 2 and 3.

#### **Proposed increases for 2016/17**

18. As explained earlier, ECC has given advanced notification that it intends to reduce its HRS funding for scheme management and telecare (Careline) from April 2016 by the same amount that the Council expected ECC to reduce its funding for the current year (2015/16). However, the Council has already incorporated 50% of this funding reduction within its current charges.

19. Therefore, it is suggested that only 50% of the expected ECC funding reduction, together with 1/10 of the current service deficit for the Scheme Management Service and the prevailing level of annual pay increases - as calculated by Office of National Statistics (ONS) - be taken into account when calculating next year's charges. The current level of annual pay increases is 2.8% which, generally, is the amount by which all of the Council's other fees and charges will be increased for 2016/17.

20. On this basis, the proposed calculation methodologies for HRS increases attached as Appendices 2 and 3 show the proposed increases for 2016/17, which are set out in the recommendations at the beginning of this report.

#### **Comments to Housing Portfolio Holder and Finance and Performance Management Cabinet Committee**

21. At its meeting on 12<sup>th</sup> November 2015, the Finance and Performance Management Cabinet Committee will be considering the above proposals and the proposed HRS charges for 2016/17 at the same time as it considers all of the Council's fees and charges for next year.

22. The Select Committee is therefore invited to provide any comments to the Housing Portfolio Holder and the Cabinet Committee on the above proposals, for the Cabinet Committee to take into account when it makes its recommendations to the Cabinet.

### **Resource Implications:**

The proposed charges will result in increased income of £11,742 per annum for the Council's Scheme Management Service and additional of £4,900 for the Council's Careline Service.

### **Legal and Governance Implications:**

The ability to apply these charges is covered by the Council's standard tenancy agreement, and the agreement with private users for the Careline Service.

### **Safer, Cleaner and Greener Implications:**

None

### **Consultation undertaken:**

The Tenants and Leaseholders Federation is due to consider this report and the proposals at its meeting on 12<sup>th</sup> October 2015. The Federation's comments will be reported orally to the Select Committee at its meeting, and included within the report to the Finance and Performance Management Cabinet Committee.

### **Background Papers:**

None.

### **Risk Management:**

The main risk is that the charges are either insufficient to meet the Council's costs over time, or are more than should be recovered from service users.

## **Due Regard Record**

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Since this is contractual issue, there are no groups of people with protected characteristics that would be unduly affected by the issues under consideration.

The main group of people with protected characteristics who are affected by the proposals are those older and disabled people who receive the services covered by the report.

The main effect is in relation to service users' ability to meet the increased cost of the charges. The report explains that there is currently a deficit on the income received for the scheme management service, which needs to be recovered.

It is not considered that the increase in charges will significantly impact service users' ability to meet the charges, when compared with the current charges. The greatest impact will be felt by those in receipt of housing benefit, since the proposed increases (in percentage terms) will be greatest for this group of tenants. However, in monetary terms, the increases are still relatively modest and, to some extent, the impact of the increases for the scheme management service are mitigated by some of the costs being covered by the intensive housing management service charge, which is covered by housing benefit.



Our ref: SH/HRS

Date:

Dear Provider,

**Re: Housing Related Support – Older People Services – 2016/17**

I am writing to inform you of about our intentions to change funding levels for Older Peoples' services next year. As you will know, the current financial system means that we must ensure we obtain best value for the public money. As part of this process we considering the future funding levels for Older Peoples' HRS services Although ECC has successfully delivered substantial savings already, we need to seek more. In particular, we have to look to services which are 'discretionary', i.e. where we do not have a statutory duty to provide. Housing Related Support falls into this category.

*Background to proposals*

We have considered a range of proposals to deliver the savings requirements. As part of this consideration, we have involved members of the Housing, Health & Social Care Partnership Board. We have already delivered savings against the HRS-funded Mental Health and Learning Disabilities services and are now looking at Older Peoples' services – sheltered schemes and community alarms.

The current term of the contract for these services ends on 31<sup>st</sup> March 2016. There is scope to extend the contracts for a further 12 months and we will do this where we can agree new funding levels.

**At this time, the proposals are under consultation and are subject to change. The final decision will be taken by elected members in September 2015 and confirmed when the Council sets its budget in the New Year. However, we wanted to inform you of the likely impact on your services so that you can engage with us, and plan for the potential impacts and consult as necessary with tenants who may be affected.**

*What is proposed?*

(You may wish to use the following in communications you wish to share with staff, service users or other interested parties).

There are three proposals which it is intended will be implemented from the start of 2016-17.

1. Reduce the HRS payments to sheltered housing by £2/person/week
2. Cap the HRS payment to Community Alarms in sheltered housing at £2/unit/week (or less if sub-contracted at a lower rate)
3. Cease funding 'dispersed' Community Alarms

#### *What is the Rationale?*

1. We believe it is reasonable that individuals should contribute to the costs of their support, as would be the case in statutory support services for adults
2. There are significant variations in payment levels across providers for these services.
3. Different models of support are emerging and what the market can offer is changing. For example, Community Alarm services can often be obtained at lower rates on the open market.
4. The HRS funding of dispersed alarms is neither consistent with the ECC Social Care offer nor across the districts
5. Other areas of HRS spend are currently delivering savings, e.g. Learning Disabilities (£1.1M in current year) and Mental Health
6. Other Authorities have reduced or removed this funding.

#### *What will be the Impact on Tenants?*

The ECC contract is with providers and is usually only one element of total funding. We cannot and would not want to dictate how these changes might impact on tenants. However, we strongly encourage you to consult with your tenants or their representative groups, e.g. Tenants and Residents Association, about implementation.

As a result of these changes, a number of things could happen:

- Tenants may be willing to make up the shortfall
- Tenants may be willing to contribute a smaller amount for a reduced service
- Tenants do not contribute and the service is reduced
- The provider may choose to absorb some or all of the additional cost
- Other funding sources (such as Housing Benefit) could be explored

*We would particularly encourage providers to explore the final point. Support charges cannot simply be transferred to Housing Benefit, but it is legitimate to review the service you are providing and consider what elements could be eligible for housing benefit. We know that this has been done with some success in Essex already.*

*Are these new proposals?*

These proposals were originally discussed with the Housing, Health and Social Care Partnership Group last year, but were not progressed at that time. The group includes representatives of all the districts as well as provider representatives and other commissioners. We appreciate, however that the proposals will be new to some people.

*When will these changes be implemented?*

Subject to elected Members approval at Cabinet in September 2015, the changes will be effective from April 2016. The decision will be formally finalised when the Council sets its budget at Full Council early in the New Year.

*Small Providers*

We are also considering our approach to funding smaller providers. In some cases the transaction costs of paying the HRS funding is greater than the funding itself. We know that:

- There are 53 providers receiving HRS payments for Older Peoples' services. Of these:
  - 33 receive less than £10,000 a year
  - 29 receive less than £5,000 a year
  - 13 receive less than £1,000 a year
- The average contract value for the 33 smallest providers is less than £1,800

We need to consider whether this is sustainable going forward and would be interested in the views of smaller providers.

*How can I give my views on the current proposals?*

As part of our consultation process we are now writing to invite providers to respond to these proposals. For ease of use we suggest that you use the appended template.

The feedback we have had already from providers is that they would prefer to have an early clear decision on which they can base their budgets, rather than an extended consultation period. **For this reason, can I ask that you return any submissions by 21<sup>st</sup> August 2015.**

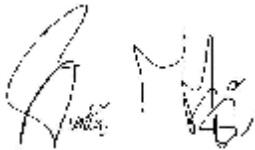
Please send responses to us using this online survey:

<http://surveys.essexinsight.org.uk/TakeSurvey.aspx?PageNumber=1&SurveyID=723L5o2&Preview=true>

*Future Engagement*

We are consulting now on the arrangements for 2016-17. However, we also need to consider the approach for subsequent years, not least because the contracts that are currently in place cannot be extended beyond March 2017. This will be taken forward via the Housing, Health and Social Care Partnership Group and we intend to run provider events as well as other consultation activity. If you have views on how this should be done, please respond as part of this consultation.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Simon Harniess', written over a faint grid background.

**Simon Harniess**  
Head of Commissioning  
(Vulnerable People)  
Essex County Council  
E1, County Hall  
Chelmsford  
Essex, CM1 1YS



## Calculation for Increases in Scheme Management & Intensive Housing Mgt Charges

### 2016-17

Nos. and Current Charges:							
	Nos.		Current charge (p/w)	Total Income (p/a)		% of total income	
Sheltered tenants:							
Self-funders	88	372	£9.28	£42,465	£75,546	44.6%	79.3%
On HB	284		£2.24	£33,080		34.7%	
No. of area tenants:							
Self-funders	73	430	£2.35	£8,921	£19,688	9.4%	20.7%
On HB	357		£0.58	£10,767		11.3%	
Totals	802			£95,233		100.0%	

Total additional income required next year:			
Current service deficit/surplus:			£50,250
Amount of ECC Funding cut next year:			£40,500
	Total		£90,750
No. of years left to recoup deficit: (Next April to April 2026)			10
Amount of deficit to recoup next year:			£9,075
ONS pay increase applied to total current income:	2.8%		£2,667
Amount to recover next year			£11,742

Calculation of increases for next year:						
	% of total to recover	Amount to recover	To recover per week	Increase per prop (p/w)		
Sheltered tenants	79.3%	£9,314	£179.12	£0.48		
Area tenants	20.7%	£2,427	£46.68	£0.11		
Total	100.0%	£11,742	£225.80			
	Current charge (p/w)	Increase per prop. (p/w)	Total new charge (p/w)	Scheme Mgt (p/w)	Int. Hsg Mgt (p/w)	
Sheltered tenants:						
Self-funders	£9.28	£0.48	5.2%	£9.76	£8.30	£1.46
On HB	£2.24	£0.48	21.5%	£2.72	£1.26	£1.46
No. of area tenants:						
Self-funders	£2.35	£0.11	4.6%	£2.46	£2.09	£0.37
On HB	£0.58	£0.11	18.7%	£0.69	£0.32	£0.37

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## Calculation for Increases in Careline Charges

### 2016-17

Nos. and Current Charges:		Nos.		Current charge		Total Income		% of total income	
				(p/w)	(p/a)	(p/a)			
Council tenants:									
Self-funders		175	874	£3.58	n/a	£32,578	£51,842	16.0%	25.5%
On HB		699		£0.53	n/a	£19,264		9.5%	
Private Users		1,388		n/a	£109.32	£151,736	£151,736	74.5%	74.5%
Totals		2,262				£203,579		100.0%	

Total additional income required next year:			
Current service deficit:			-£26,900
Amount of ECC Funding cut next year:			£26,100
	Total		-£800
No. of years left to recoup deficit/surplus: (Next April to April 2026)			1
Amount of deficit to recoup next year:			-£800
ONS pay increase applied to total current income:	2.8%		£5,700
Amount to recover next year			£4,900

Calculation of increases for next year:								Increase per prop.	
		% of total to recover	Amount to recover	To recover per week			(p/w)	(p/a)	
Council tenants		25.5%	£1,248	£24.00			£0.03	n/a	
Private users		74.5%	£3,652	£70.24			n/a	£2.63	
Total		100.0%	£4,900	£94.23					
		Current Charge	Increase per prop.			New Charge		Rounded	
		(p/w) (p/a)	(p/w) p/a			(p/w) (p/a)			
Council tenants:									
Self-funders		£3.58 n/a	£0.03 n/a	0.8%		£3.61 n/a		£3.60	
On HB		£0.53 n/a	£0.03 n/a	5.2%		£0.56 n/a		£0.55	
Private users		n/a £109.32	n/a £2.63	2.4%		n/a £111.95		£112.00	

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## **Report to Resources Select Committee**

**Date of meeting: 13 October 2015**

**Portfolio:** Finance

**Subject:** Fees and Charges 2016/17

**Officer contact for further information:** Peter Maddock (Ext 4602)

**Committee Secretary:** Adrian Hendry (Ext 4246)

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SCRUTINY



### **Recommendations/Decisions Required:**

**That the Committee consider the proposals for the level of fees and charges for 2016/17 and make comments and recommendations as appropriate.**

### **Executive Summary**

The report provides information on the fees and charges that the Council levies and what scope if any there is to increase particular charges.

### **Reasons for Proposed Decision**

As part of the annual budget process changes to fees and charges need to be agreed.

### **Other options for action**

Where the Council has discretion on the level of fees and charges that it sets there are many possible options open to the Council ranging between no increase up to applying quite large increases where justifiable.

### **Report:**

1. The Medium Term Financial Strategy earlier on this agenda has identified the need to find savings of £1m over the four year period with £150,000 falling in 2016/17. Having said that the strategy is based on assumed reductions in Government funding of 10% per annum in each of the four years of the strategy and the actual figures will not be confirmed even for 2016/17 until the spending review is concluded later in the autumn.
2. In reality the scope for increased income as a result of increasing fees and charges is relatively limited as regards the General Fund though less so with the Housing Revenue Account (HRA). For example some are set by Government, some have to be based on cost recovery or subject to a maximum, also the possibility of increases putting people off and actually having the opposite effect to that intended have to be considered.
3. Another option is to introduce fees and charges where they are currently not levied though again there are probably fairly limited opportunities in this area.
4. It has also been tradition to use the September Retail Prices Index (RPI) as a guide though in recent years other measures of inflation have such as the Consumer Prices Index (CPI) have been more widely used. The Council also uses a number of other more specialised indices depending on the type of contract or service being procured and with this in mind it felt that the labour inflation rates might be more relevant as employee costs represent the largest element of expenses when carrying out the services for which a charge

is made. The latest figure available is 2.8%.

## **Communities**

5. There are a number of fees and charges made for community and wellbeing activities an increase is proposed to a number of these charges and these are listed at Appendix 1.

6. A review of museum related fees and charges is to be undertaken in readiness for the planned re-opening next March. This review is due to be completed during October if a verbal update on this can be given at the meeting then it will.

7. The Schedule of proposed Housing-Related Fees and Charges for 2016/17 is shown at Appendix 2, which also lists the fees and charges for the current year for comparison. Charges relate to both the Housing Revenue Account and the General Fund.

8. Generally, it is recommended that the majority of fees and charges be increased by 2.8% - rounded up or down as appropriate. The only exceptions to this approach are the following:

### **Sheltered housing charges and area housing charges**

9. There is a separate report earlier on the Agenda from the Director of Communities on a proposed Charging Plan for Housing Related Support (HRS) services, which includes sheltered housing charges. The proposed fees within the Schedule reflect the recommendations within that report.

10. If different decisions or recommendations are made as a result of the earlier report on the agenda, the attached schedule will need to be amended accordingly,

### **Telecare packages (alarms and up to 4 sensors) and monitoring of alarms for other organisations**

11. Again, the earlier report from the Director of Communities on a proposed Charging Plan for Housing Related Support (HRS) services includes telecare charges, and the proposed fees within the Schedule reflect the recommendations within that report.

12. Again, if different decisions or recommendations are made as a result of the earlier report on the agenda, the attached schedule will need to be amended accordingly.

### **Bed and breakfast accommodation**

13. It is not yet possible to include the rates for 2016/17, since tenders from hotels for room charges for the next three years will be sought through a competitive tender process in the Autumn.

### **Sewerage charges for individual sewerage systems**

14. These charges have not been increased, since the contractor has advised that it will not increase its charges to the Council in October 2015 (which the contract allows) and that the October 2014 rates will continue until October 2015.

### **C.A.R.E gardening service**

15. It is proposed to extend the charges for C.A.R.E.'s Handyperson Service to the gardening service which is provided in conjunction with the VAEF.

Priority is given to the initial clearance of gardens that:

- are overgrown such that there is a risk of trips or falls;
- have trees/bushes overshadowing the front door leading to a fear of crime;

- has deteriorated to the state that it leads people to believe the property is unoccupied; or,
- are overgrown such that access by social care, health or other support workers is impeded

In addition, where funds allow, the scheme can be offered to the owners of gardens:

- that fall short of these criteria but are likely to fall into one of the categories if nothing is done;
- the maintenance of gardens that have already been cleared.

The charge (which is in line with the charges for falls prevention and home security work carried out under the Handyperson Service will be £25.50 for a two hour visit. For benefit recipients the first visit will be free of charge.

## **Governance**

16. There are several sources of income to this Directorate, for example, Local Land Charges, Development Control Fees, Pre-application charges and Building Control Fees.

17. Industrial Estate Rents are not subject to annual increases as they are negotiated for a period of time before each lease is entered into. The level at which rents can be agreed is influenced by the general state of the economy and the availability of other properties.

18. The situation regarding Land Charge income is still very uncertain following the introduction of the Local Land Charges (Amendment) Rules 2010. The charge for a full search should be set based on the costs incurred providing the information. Currently fee income has dwindled slightly and it has been noted that fewer searches are coming through. It is not proposed to increase the fees as this might drive more people to do personal searches which are free. The account itself is in deficit due to non chargeable activities and the fact that personal searches are free but there is a cost attached to dealing with enquiries.

19. Development Control fee levels are controlled by Central Government and the levels of income are somewhat dependant on the economic climate and the number and size of planning applications. An exercise was carried out a few years ago aimed at giving some local discretion on charging however this was abandoned. It is hoped that this might be resurrected as it is a while since fees were changed and are likely to be out of step with actual costs incurred.

20. With regard to pre-application charges that apply to major applications, income is buoyant at the moment and the budget has been exceeded substantially. The work required to generate the fee is quite labour intensive and it is felt that an increase is probably appropriate. The existing and proposed fees are shown at Appendix 3.

21. Building Control Fees are income to the ring-fenced Building Control Charging Account and therefore do not affect the General Fund directly. Current fee levels are felt to be reasonable and indeed income levels have improved meaning the account is expected to remain in surplus. An increase in fees is a possible option but the service operates in a competitive environment and this may put potential customers off.

## **Neighbourhoods**

22. The fees and charges relating to neighbourhoods include Car Parking Charges, North Weald Airfield rents and charges, MOT's, various environmental health related charges and Licencing.

23. With regard to Car Parking charges, the recent changes to the fee structure have only just come into effect and it is probably a bit premature to review these again just yet. Once the changes have been in a while and the effect can be measured properly a further review would be appropriate particularly related to weekend charges outside the free period.

24. MOT income is subject to a maximum charge set by the Vehicle Operating Service Agency (VOSA) currently £54.85 The Council's fee is set below this level (£49.00). It is felt that an increase in the fee is likely to see custom move elsewhere so it is proposed that the fee remain at the same level.

25. From 1 October 2015 there was a change to the fee structure for Hackney Carriage and Private Hire drivers licences and operators licences. Drivers licences are to be issued for three years and operators for five years. The fee for the three and five year licences are shown at Appendix 4. It is not proposed to increase any of the taxi related licences next financial year as in line with the Local Government (miscellaneous provisions) Act 1976 these have to be set based on cost recovery. It is proposed to review fee levels next year when the new licence structure has been in place for a while.

26. With regard to other forms of licensing, some fall under the 2003 Licensing Act and this prescribes the level of fee that can be levied. Others though can be varied subject to a maximum level or can be levied on a cost recovery basis. Licence Fees are generally below the prescribed level and do not recover the cost of provision, in some cases quite significantly. It is therefore felt that these should be increased where appropriate. Details of these fees are shown in Appendix 4.

27. There are also a number of Licence fees that the Council needs to set in case an application were to come forward. In most cases these are set at or near to the maximum allowable under the Gambling (Premises Licence Fees) Regulations 2007 and are also found in Appendix 4.

28. A charge is currently made for the collection of bulk waste and the fee varies depending on the number of items being collected. The amount chargeable to the Council for the collection of bulky waste items is specified under the new waste management contract and this plus an admin fee ought to be levied to users of the service the proposed fees are in Appendix 4

29. There are a number of other miscellaneous fees and charges which are made. The proposed fees are also shown on appendix 4

30. The general uplift for fees and charges related to the Leisure Centres is specified as being in line with the retail prices index within the leisure contract. If there is any variance from this the contractor has to agree this with the Council in advance of the increase.

31. Although the Council does not provide a trade waste service itself it does need to ensure that a service is available should traders require it. Currently all traders go directly to service providers and deal with them. If a trader was to come to the Council for such a service the Council would arrange for BIFFA to carry out the trade waste collection at a charge currently of £14.30 per collection it is proposed that this be increase to £14.70. Similarly the fee charged to schools etc. be increased from £9.20 to £9.50.

## **Conclusion**

There are a number of fees and charges made by the Council which in some cases can be increased and in others cannot or an increase cannot be justifiable. The report seeks members views on the level of fees and charges for 2016/17.

## **Consultations Undertaken**

Consultations have been undertaken with various spending officers from directorates.

## **Resource Implications**

Additional Income to the General Fund and HRA.



## **Legal and Governance Implications**

Agreeing the level of fees and charges well in advance of the financial year concerned enables the budget to be prepared on a sound basis and also gives ample time to communicate any increases to the users of the services concerned.

## **Safer, Cleaner, Greener Implications**

The Council's budgets contain spending in relation to this initiative.

## **Background Papers**

Working papers held in Accountancy.

## **Impact Assessments**

### Risk Management

With all fees and charges there is a risk that increasing fees could actually reduce total income. It is difficult though to predict the exact effect of a price increase on any particular fee levied.

### Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? No

What equality implications were identified through the Equality Impact Assessment process?  
None

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?  
N/A

Individual Directors will have performed equalities impact assessments on their own services and fees and charges. The main risk in changing fees and charges is the uncertainty over how service users will respond. This makes it difficult to predict the exact budgetary effect of any given change.

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Community Services and Safety – Proposed fees and charges for 2016/17

Appendix 1

Service/Activity	2015/16 Fees	Proposed 2016/17 Fees	Comments
<b>New Horizons</b> Yoga session Indoor Bowls (Epping & Waltham Abbey) David Lloyd Bowls Badminton Boccia Table Tennis	£5.00 £3.50 £4.00 £3.50 £3.50 £3.50	£5.50 £3.60 £4.00* £3.60 £3.60 £3.60	*No increase as feel this is the maximum we can charge at present for this session
<b>Lifewalks</b>	£2.00 per walk £28.50 privilege card for 6 months	£2.00* per walk £29.00 privilege card for 6 months	*Easy money for leaders to collect, gets complicated when dealing in pence plus feel this is a premium we can charge for a walk, most walkers purchase a privilege card
<b>Cycling for Health</b>	£3.00 just ride £6.00 hire & ride	£3.50 £7.00	
<b>Term time Sessions:</b> Badminton Futsal	£4.60 £3.00	£4.75 £3.00*	*Still being developed therefore keep at same price
<b>Holiday Provision</b> Sport Sessions	£4.00	£4.50	
<b>High Beech Youth Mountain Biking Session</b> Club Membership <b>Members (Pay as you go)</b> Own Bike Hiring a Bike <b>Unlimited Monthly Attendance</b> Own Bike Hiring a Bike	£25 £5 £8 £20 £32	£30 £5 £8 £20 £32	

<b>Non-member fees (Pay as you go)</b>			
Own Bike	£7	£8	
Hiring a Bike	£10	£10	
<b>Parent Fees</b>			
Hiring a Bike	£8	£8	
<b>Bike hire for races</b>			
Members	£10	£10	
Non-members	£20	£20	
<b>Legs n Lungs - Running</b>	£2.50	£3.00*	£2.50 was an introductory fee therefore can raise to £3.00
<b>Get Active Sessions</b>	£2.00	£3.00*	£2.00 was an introductory fee therefore can raise to £3.00
<b>Playschemes/Activity Camps</b>			
Full Price	£16.00	£16.50	
Concessions	£8.50	£9.00	
<b>Play in the Forest</b>	£2.50	£2.50*	*Easy for Leaders to collect on site, minimal increase would create too much work in a forest setting.

**Fees and Charges 2015/16 - HOUSING RELATED SERVICES**
**Appendix 2**

Service	2015/16		2016/17	
	Amount	Period	Amount	Period
<b>Older People's Housing</b>				
				<b>Appendix 2</b>
<b>Communal Halls:</b> Pelly Court Hall, Epping Oakwood Hill Hall, Loughton Barrington Hall, Loughton	£9.65 £135.00 £7.85	per hour per annum per session	£9.90 £138.80 £8.10	per hour per annum per session
Guest Rooms - Sheltered Housing	£8.90	per person per night	£9.15	per person per night
<b>Scooter Stores:</b> Rental Electricity	£3.80 £1.95	per week per week	£3.90 £2.00	per week per week
<b>Sheltered Housing Charges:</b> Scheme Management Charge: <i>Tenants not in receipt of housing benefit</i> <i>Tenants in receipt of housing benefit</i> Intensive Housing Management Charge <i>(Note: Charge not payable by HB claimants)</i>	£8.04 £1.00 £1.24	per week per week per week	TBA TBA TBA	per week per week per week
<b>Area Housing Charges:</b> Scheme Management Charge: <i>Tenants not in receipt of housing benefit</i> <i>Tenants in receipt of housing benefit</i> Intensive Housing Management Charge <i>(Note: Charge not payable by HB claimants)</i>	£2.03 £0.26 £0.32	per week per week per week	TBA TBA TBA	per week per week per week
<b>Careline Charges (Council tenants):</b> Tenants not in receipt of housing benefit Tenants in receipt of housing benefit	£3.58 £0.53	per week per week	TBA TBA	per week per week
<b>Telecare Packages (Private users):</b> Alarm and up to 4 sensors (Monitoring only) Monitoring of additional sensors (per sensor)	£109.32 £11.00	per annum per annum	TBA £11.30	per annum per annum
Monitoring of alarms for other organisations (per speech module)	£105.80	per annum	£108.75	per annum
Careline Service to Home Group for Wickfields sheltered housing scheme, Chigwell	£239.65	p/a per speech module	£246.35	p/a per speech module
Large Button Telephone	£21.00	per telephone	£21.60	per telephone
Use of Jessopp Ct Lounge by Essex CC as a Day Centre	£9,766	per annum (wef 12.7.15)	£10,039	per annum (wef 12.7.14)
Lease for Jessopp Ct Office to Family Mosaic	Increased each October by the Sept RPI increase			
<b>Home Ownership and Sales</b>				
				<b>Appendix 2</b>
Leasehold Vendors' Enquiries	£141.75	per enquiry	£145.70	per enquiry
Certificates of Buildings Insurance - Leaseholders	£45.10	per copy	£46.35	per copy
Small Land Sales Valuation Charge	£361.50	per sale	£371.60	per sale
Valuation & Legal Charge - Re-sale of RTB Property within 5 years / Sale of property to EFDC within 10 years	£365.00	per application	£375.20	per application
Consideration of Right to Re-purchase Former RTB Property within 10 years of Original Purchase	£63.50	per application	£65.30	per application
<b>Housing Management</b>				
				<b>Appendix 2</b>
Hire of Halls for Elections	£88.10	per day	£90.60	per day
Garage rents	£8.10	per week	£8.35	per week
Hardstandings	£83.90	per annum	£86.25	per annum
Mortgage references	£41.50	per enquiry	£42.50	per enquiry

Request for covenant and leasehold approvals	£65.95	per request	£67.80	per request
Licences for vehicular access across housing land	£109.75	per annum	£112.80	per annum
Dishonoured cheques	£25.60	per cheque	£26.30	per cheque
<b>Homelessness</b>				<b>Appendix 2</b>
<b>Homeless Hostel Accommodation:</b>				
One Room	£46.55	per week	£47.85	per week
Two Rooms	£72.70	per week	£74.75	per week
Three Rooms	£97.90	per week	£100.65	per week
Chalets	£84.80	per week	£87.15	per week
<b>Bed and Breakfast Accommodation (Contracted rates):</b>				
Single Room	£38.15	per night	Subject to outcome of tender	
Double Room	£50.23	per night		
<b>Repairs and Maintenance</b>				<b>Appendix 2</b>
Condition surveys to respond to Party Wall Act Notices	£74.60	per Notice	£76.70	per Notice
Copies of Structural Reports on RTB Properties	£36.85	per report	£37.90	per report
Rechargeable repairs	Recharged in accordance with the Rechargeable Repairs Schedule		2.8% increase in all charges	
Replacement Door Entry and Suited Keys	£13.90	per key	£14.30	per key
Sewerage charges for individual sewerage systems	Set charges for each site		No increase - due to contractor keeping charges at Oct 2014 levels	
<b>Caring and Repairing in Epping Forest (CARE) Service</b>				<b>Appendix 2</b>
<b>Caring And Repairing in Epping Forest (CARE) Fees:</b>				
Disabled facilities grants (DFGs)	15%	of works cost	15%	of works cost
Decent Homes Repayable Assistance	15%	of works cost	15%	of works cost
Small Works Repayable Assistance	10%	of works cost	10%	of works cost
<b>C.A.R.E Handyperson Service:</b>				
<i>Clients in receipt of means-tested benefits:</i>				
General jobs	£31.00	Maximum charge per visit	£31.90	Maximum charge per visit
Falls prevention work	Free		Free	
Home safety checks/works	Free		Free	
<i>Clients <u>not</u> in receipt of means-tested benefits:</i>				
General jobs	£51.00	Maximum charge per visit	£52.45	Maximum charge per visit
Falls prevention work	£25.50	Maximum charge per visit	£26.20	Maximum charge per visit
Home safety checks/works	£25.50	Maximum charge per visit	£26.20	Maximum charge per visit
<b>Private Sector Housing</b>				<b>Appendix 2</b>
<b>Licences - HMOs (Initial &amp; Renewal):</b>				
3 storey HMO with up to 5 units of accommodation	£682.00	per licence	£700.00	per licence
Additional units of accommodation	£63.50	per additional unit	£65.30	per additional unit
Discount for Essex Landlord Accredited landlords	-£80.00	per licence	-£80.00	per licence
<b>Landlord Accreditation Scheme for Student Accom:</b>				
Bed-sit	£50.00	per property accredited	£51.40	per property accredited
1-2 bedroom flats	£100.00	per property accredited	£102.80	per property accredited
House/bungalow with up to 6 bedrooms	£150.00	per property accredited	£154.20	per property accredited
3 storey houses (non-licensable)	£175.00	per property accredited	£179.90	per property accredited
<b>Park Homes Licensing Fees:</b>				
Site licence fees	In accordance with EFDC's Fees Policy for Licensing Residential Park Home Sites			
Depositing of site rules	£133.00	per deposit	£136.70	per deposit
Fine for Lettings Agencies and Property Agencies failing to join a Government-approved Redress Scheme	£5,000	per incidence (unless extenuating circs.)	£5,000	per incidence (unless extenuating circs.)
Enforcement of private sector housing conditions - Housing Act 2004 and Mobile Homes Act 2013	Cost of officer time to undertake enforcement action + 10% administration cost			
General percentage uplift for next year	2.8%			

**Governance**

**Proposed fees & charges for 2016/17**

<b>Service area</b>	<b>Current</b>	<b>Proposed</b>
<b>Development Control- Pre-application charges</b>		
<b>All figures include VAT at 20%</b>		
Major development schemes of 100 and over new residential units, or the creation of commercial development or changes of use of 10,000 square metres floorspace and over, or changes of use of land or earth movement on land 2 hectares or more.	£3,600	£3,700
Major development schemes of 10 - 99 new residential units, or the creation of commercial development or changes of use between 1,000-9,999 square metres, or changes of use of land or earth movement on land 1 hectares or more.	£1,800	£1,850
Minor development schemes of 2 - 9 new residential units, or the creation of commercial development or changes of use between 100 - 999 square metres or changes of use of land or earth movement on land under 1 hectares.	£850	£870
Minor development schemes of 1 new or replacement residential unit or the creation of commercial development or changes of use up to 100 square metres.	£300	£310
All other cases, including householder additions, adverts, other commercial development alterations.	£48	£50

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Service area	2015/16		Proposed 2016/17		Notes
	Application/ Event	Renewal	Application/ Event	Renewal	
<b>Environmental Health</b>					
<b>Training</b>					
Basic food hygiene course	£70.00		£72.00		6 courses 10 per course
Basic health & safety course	£60.00		£62.00		Nil done.
<b>Animal welfare</b>					
Animal boarding	£299.00	£205.00	£307.00	£211.00	
Dog breeding	£299.00	£205.00	£307.00	£211.00	
Pet Animals Act	£299.00	£205.00	£307.00	£211.00	
Dangerous wild animals	£653.00	£443.00	£671.00	£455.00	
Riding establishment	£653.00	£549.00	£671.00	£564.00	
Stray dog	£78.00				Set by Waltham Forest as part of contract with them
Zoo's	£527.00		£542.00		
<b>Licensing.</b>					
<b>Hackney Carriage/Private Hire</b>					
Annual Vehicle Licence	£277.00	£277.00	£277.00	£277.00	Subject to Statutory consultation
Annual Driver's Licence	£186.00	£186.00	£186.00	£186.00	Subject to Statutory consultation 3 year licence
Vehicle plate	£30.00		£30.00		Initial fee, refundable on return
Driver badge	£10.00		£10.00		
Drivers Test	£40.00		£40.00		Refundable if 2 days notice of cancellation given
Drivers re-sit of test	£21.00		£21.00		Refundable if 2 days notice of cancellation given

Service area	2015/16		Proposed 2016/17		Notes
	Application/ Event	Renewal	Application/ Event	Renewal	
<b>Private Hire Operators</b>					
Annual operator licence (1 vehicle only)	£105.00		£105.00		Subject to Statutory consultation, 5 year licence
Annual Operators (> 1 vehicle)	£405.00		£405.00		Subject to Statutory consultation, 5 year licence
Plate exemption	£88.00	£88.00	£88.00	£88.00	
<b>Miscellaneous</b>					
Special treatment premises	£155.00		£159.00		
Special treatments person	£83.00		£85.00		
Small Society Lotteries	£40.00	£20.00	£40.00	£20.00	Set by Statute
Sex Shops and Cinemas	£515.00	£515.00	£529.00	£529.00	Hemming case going to Supreme Court
Sexual Entertainment Venues -	£4,000.00	£2,000.00	£4,110.00	£2,060.00	Hemming case going to Supreme Court
Street Trading Consents	£375.00	£375.00	£390.00	£390.00	If not successful at sub-committee then half fee refunded
Scrap Metal Dealers	£375.00		£385.00		3 year licence
Scrap Metal Sites	£225.00		£231.00		3 year licence
Road Closure Notices	£170.00		£173.00		
<b>Licensing Act 2003</b>					All fees set by statute based upon premises rateable value plus occupancy for premises holding more than 5,000 people. Personal licences valid for 10 years  EFDC cannot amend these charges, therefore not included in this table

**Gambling Act 2005**

<b>Betting Premises</b>	<b>New application</b>		<b>Annual fee</b>		<b>Variation, Transfer, Re-instatement</b>	
	<b>Current</b>	<b>Proposed</b>	<b>Current</b>	<b>Proposed</b>	<b>Current</b>	<b>Proposed</b>
Betting premises (not tracks)	£1,200.00	£1,200.00	£600.00	£600.00	£1,200.00	£1,200.00

<b>Betting Premises</b>	<b>Licence copy</b>		<b>Notification of change</b>	
	<b>Current</b>	<b>Proposed</b>	<b>Current</b>	<b>Proposed</b>
Betting premises (not tracks)	£29.00	£29.00	£29.00	£29.00

**Waste management****Bulky household waste**

<b>Item</b>	<b>Current</b>	<b>Proposed</b>	<b>Notes</b>
1 to 3 items	£23.00	£24.00	50% concession for pensionable age
4 to 7 items	£35.00	£36.00	50% concession for pensionable age
8 to 10 items	£46.00	£47.00	50% concession for pensionable age
11 to 15 items	£58.00	£60.00	50% concession for pensionable age
More than 15 items	Assessment	Assessment	50% concession for pensionable age

**Trade waste**

<b>Item</b>	<b>Current</b>	<b>Proposed</b>	<b>Notes</b>
Commercial properties (per collection)	£14.30	£14.70	Service provided on request
Schools and Community premises (per collection)	£9.20	£9.50	Service provided on request

**Street Numbering and Naming Charges**

<b>Item</b>	<b>Current</b>	<b>Proposed</b>	<b>Notes</b>	
House Name Change/ Addition	£51.50	£52.50	Per property	
Development of 1+ properties	£51.50	£52.50	For first property	
	£17.00	£18.00	Per additional property	
Changes in initial development after initial notification	£51.50	£52.50	For first property	
	£17.00	£18.00	Per additional property	
Renaming of street at residents request	£51.50	£52.50	For first property	
	£17.00	£18.00	Per additional property	
Confirmation of postal address details	£2.80	£2.85	Per certificate issued	
	£17.00	£18.00	Per property involved	

# The Limes Centre

Limes Avenue, Chigwell, IG7 5LP

**SCALE OF HIRE CHARGES – from 1<sup>st</sup> April 2015**

## The Limes (Main) Hall

	Charges per hour	
	Scale 1	Scale 2
<b>Monday to Friday</b>		
9.00am – 6.00pm	£11.00	£22.00
6.00pm – 10.00pm	£16.00	£32.00
<b>Saturday</b>		
10.00am – 6.00pm	£16.00	£32.00
6.00pm – 11.00pm	£26.00	£46.00
10.00am – 11.00pm	£240.00	£420.00
<b>Sunday</b>		
10.00am – 9.00pm	£21.00	£36.00

## Limes Activity Room

	Charges per hour	
	Scale 1	Scale 2
<b>Monday to Friday</b>		
9.00am – 6.00pm	£6.00	£16.00
6.00pm – 10.00pm	£11.00	£21.00
<b>Saturday &amp; Sunday (9pm only)</b>		
10.00am – 6.00pm	£11.00	£16.00
6.00pm – 11.00pm	£16.00	£26.00

## Limes Meeting Room

	Charges per hour	
	Scale 1	Scale 2
<b>Monday to Friday</b>		
9.00am – 6.00pm	£3.50	£7.00
6.00pm – 10.00pm	£6.00	£12.00
<b>Saturday &amp; Sunday (9pm only)</b>		
10.00am – 6.00pm	£8.50	£12.00
6.00pm – 11.00pm	£11.00	£22.00

Charging Bands	Scale 1	Scale 2
	This rate is specifically for Epping Forest Council House Tenants and EFDC Residents on Income Support/ Housing Benefit. This will be strictly applied and evidence will be required	Non Residents, Weddings, Registered Charities, not for profit organisations

### PAYMENTS

- A deposit of 25% of the hire fee is payable with the application
- The balance must be paid at least **ONE MONTH** before the letting
- If the letting is less than one month from the booking date, the full amount must be paid at the time of booking
- A refundable damage deposit fee of £500 for adult parties and £100 for children's parties

**Cheques should be made payable to Epping Forest District Council and crossed a/c Payee Only. Credit/Debit card payments are also taken**

### CANCELLATIONS

- Booking deposits are **not** refundable
- For general bookings, the balance is refundable only if more than **four week's notice** of the cancellation is given **or**, if shorter notice is given, the hall can be let to another hirer for the cancelled period
- For Wedding cancellations, a scale of cancellation fees applies according to period of notice given

Bookings may be made by telephone on

01992 564561

A completed application form and a non-returnable

# The Limes Centre

Limes Avenue, Chigwell, IG7 5LP

**SCALE OF HIRE CHARGES – from 1<sup>st</sup> April 2016**

## The Limes (Main) Hall

	Charges per hour	
	Scale 1	Scale 2
<b>Monday to Friday</b>		
9.00am – 6.00pm	£12.00	£24.00
6.00pm – 10.00pm	£17.00	£34.00
<b>Saturday</b>		
10.00am – 6.00pm	£17.00	£34.00
6.00pm – 11.00pm	£27.00	£47.00
10.00am – 11.00pm	£250.00	£450.00
<b>Sunday</b>		
10.00am – 9.00pm	£27.00	£47.00

## Limes Activity Room

	Charges per hour	
	Scale 1	Scale 2
<b>Monday to Friday</b>		
9.00am – 6.00pm	£8.00	£18.00
6.00pm – 10.00pm	£13.00	£23.00
<b>Saturday &amp; Sunday (9pm only)</b>		
10.00am – 6.00pm	£13.00	£18.00
6.00pm – 11.00pm	£18.00	£28.00

## Limes Meeting Room

	Charges per hour	
	Scale 1	Scale 2
<b>Monday to Friday</b>		
9.00am – 6.00pm	£5.00	£10.00
6.00pm – 10.00pm	£11.00	£22.00
<b>Saturday &amp; Sunday (9pm only)</b>		
10.00am – 6.00pm	£10.00	£20.00
6.00pm – 11.00pm	£15.00	£25.00

Charging Bands	Scale 1	Scale 2
	This rate is specifically for Epping Forest Council House Tenants and EFDC Residents on Income Support/ Housing Benefit. This will be strictly applied and evidence will be required	Non Residents, Weddings, Registered Charities, not for profit organisations

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Bookings may be made by telephone on

01992 564561

A completed application form and a non-returnable



## **Report to the Resources Select Committee**

**Date of meeting: 13 October 2015**

**Portfolio: Finance**

**Subject: Quarterly Financial Monitoring**

**Officer contact for further information: Peter Maddock (01992 - 56 4602).**

**Democratic Services Officer: Adrian Hendry (01992 – 56 4246)**

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### **Recommendations/Decisions Required:**

**That the Committee note the revenue and capital financial monitoring report for the first quarter of 2015/16;**

### **Executive Summary**

The report provides a comparison between the original estimate for the period ended 30 June 2015 and the actual expenditure or income as applicable.

### **Reasons for proposed decision**

To note the first quarter financial monitoring report for 2015/16.

### **Other options for action**

No other options available.

### **Report:**

1. The Committee has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This is the first quarterly report for 2015/16 and covers the period from 1 April 2015 to 30 June 2015. The reports are presented based on which directorate is responsible for delivering the services to which the budgets relate and the budgets themselves are the Original Estimate updated for the District Development Fund items that were brought forward from 2014/15.
2. Salaries monitoring data is presented as well as it represents a large proportion of the authorities expenditure and is an area where historically large under spends have been seen.

### **Revenue Budgets (Annex 1 – 6)**

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £191,000 or 3.6%. This time last year the variance was 2.0%. A vacancy allowance of 1.5% has been allowed for but clearly vacancies are running at a rather higher level at the moment with all directorates (except Chief Executive) showing a degree of underspend.
4. Neighbourhoods and Resources have the largest underspend of £64,000 and £62,000

respectively. The former relates mainly to Grounds Maintenance and Estates and the latter to Revenues, Benefits and to a lesser degree Accountancy.

5. Investment interest levels are slightly below expectations at Month 3. This is likely to continue as the payment to Polofind for land at Langston Road was made in early July and the second half of the financial year should see the start of the construction of the retail park which will deplete cash balances further. There has again been some talk of the need to raise interest rates but whether that will come to fruition any time soon remains to be seen.
6. Development Control income at Month 3 is continuing the recent upward trend. Fees and charges were £71,000 higher than the budget to date and pre-application charges are £15,000 higher, by the end of July Development Control income was £118,000 above expectations.
7. Building Control income was £18,000 higher than the budgeted figure at the end of the first quarter. Also the ring-fenced account is showing an in-year surplus of £34,000 as at Month 3. It was expected that a surplus of £13,000 for the full year would be achieved it already looks as if the position will be substantially better. The surplus on the account brought forward into this financial year was £81,000 due to a very good final quarter in 2014/15.
8. Hackney Carriage income is £4,000 above expectations and other licensing in line with the budget. There is not expected to be any significant variation on the budget.
9. Income from MOT's carried out by Fleet Operations is £3,000 above expectations. The budget has been set to breakeven in 2015/16, however the profiled budget shows that in the first few months the account will be in deficit which is indeed the case. The expectation is that during the second half year a surplus will be achieved to bring the account back to breakeven.
10. Car Parking income was £51,000 below the estimate as at month 3. Pay and display income was being received some 2 weeks in arrears at that time in line with the profiled budget though telephone payments were, and continue to be two months behind and account for about half of that shortfall. By the end of August pay and display income was only a week in arrears. Based on current evidence there may be a shortfall in this area and this needs to be kept under review. The budget will shortly be revisited and further analysis carried out to assess the level of any expected shortfall to be included in the budget.
11. Local Land Charge income is below expectations as there has been a reduction in searches undertaken, there was a shortfall which became apparent toward the end of 2014/15 and this trend has continued.
12. From the start of the new waste management contract recycling credits are paid only on dry recycling. Due to the time lag between achieving the credits and billing for them there is little income expected in the first quarter.
13. In order to cut down on the amount of administration and speed up payment times it was agreed to pay the waste contractor the agreed contract sum monthly by Direct Debit as this is a fixed sum. The payment is made 30 days after the end of the month to which it relates. However there were some initial difficulties setting this up and no payments were made in the first quarter. Payments are now running smoothly.
14. The Housing Repairs Fund shows an underspend of £320,000. The full year budget is likely to be fully spent. There are no other significant variances on the HRA at the end of the first quarter.
15. In most cases income budgets are generally holding up well and Development and

Building Control income is going exceptionally well. The budget is due for revision over the next few months and as part of that we need to assess how much of this income can be treated as ongoing and how much as DDF.

16. With regard to Land Charge and Car Parking income there is some concern that income levels may not be achieved so these areas in particular need to be kept under review.

### **Business Rates**

17. This is the third year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council.
18. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash. Changes in the rating list are important as with local retention the overall funds available to authorities will increase or decrease as the total value of the list increases or decreases. The NNDR1 form set out the non-domestic rate estimates for the year and started with a gross yield of £41,552,448 which was then reduced by the various reliefs for charities and small businesses and an allowance for appeals to get to a net rate yield of £35,883,949. At the end of June the net rate yield had increased by £242,358 and as the Council retains 40% of gains and losses this would mean an increase in funding of £96,943. However given the outstanding appeals and that a number of claims for small business rates and other reliefs are being received this is expected to reverse.
19. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances. At the end of June the total collected was £10,334,743 and payments out were £8,538,069, meaning the Council was holding £1,796,674 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.
20. In summary, at the end of June the increase shown whilst positive is only temporary, but cash collection is going well.

### **Capital Budgets (Annex 7 - 11)**

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the three months to 30 June. There is a commentary on each item highlighting the scheme progress.
22. The full year budget for comparison purposes is the budget updated as part of the Capital outturn report.

### **Major Capital Schemes (Annex 12)**

23. There are two projects included on the Major Capital Schemes schedule these relate to the Museum redevelopment and House Building package 1. Annex 12 gives more detail.
24. From the next quarter the Epping Forest Retail Park will also be included here. As at the end of June there had been no expenditure with the payment to purchase the land owned by Polofind not occurring until early July.

### **Conclusion**

25. With regard to revenue, income is generally up on expectations and expenditure down. The increased income levels are very much welcome, in particular Development and Building Control income, though some concern exists over Land Charges and Car Parking income. Expenditure being below budget is not surprising as expenditure is usually heaviest toward the end of the financial year.
26. The Committee is asked to note the position on both revenue and capital budgets as at Month 3.

### **Consultations Undertaken**

This report was considered by the Finance Cabinet Committee in September, and an update will be provided to this Committee to cover any additional comments or information.

### **Resource Implications**

There is little evidence at this stage to suggest that the net budget set will not be met however the budget is due to be revised during the Autumn and Winter and as usual any variances reflected therein.

### **Legal and Governance Implications**

Reporting on variances between budgets and actual spend is recognised as good practice and is a key element of the Council's Governance Framework.

### **Safer, Cleaner, Greener Implications**

The Council's budgets contain spending in relation to this initiative.

### **Background Papers**

Various budget variance working papers held in Accountancy.

### **Impact Assessments**

#### Risk Management

These reports are a key part in managing the financial risks faced by the Council. In the current climate the level of risk is increasing. Prompt reporting and the subsequent preparation of action plans in Cabinet reports should help mitigate these risks.

## **Due Regard Record**

This page shows **which groups of people are affected** by the subject of this report. It sets out **how they are affected** and how any **unlawful discrimination** they experience can be eliminated. It also includes information about how **access to the service(s)** subject to this report can be improved for the different groups of people; and how they can be assisted to **understand each other better** as a result of the subject of this report.

S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

<b>Date / Name</b>	<b>Summary of equality analysis</b>
03/09/15  Director of Resources	The purpose of the report is to monitor income and expenditure. It does not propose any change to the use of resources and so has no equalities implications.

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**JUNE 2015 - SALARIES**

<u>DIRECTORATE</u>	<u>2015/16</u>			<u>2014/15</u>		
	<u>EXPENDITURE TO 30/06/15</u>	<u>BUDGET PROVISION (ORIGINAL)</u>	<u>VARIATION FROM BUDGET (ORIGINAL)</u>	<u>EXPENDITURE TO 30/06/14</u>	<u>BUDGET PROVISION (ORIGINAL)</u>	<u>VARIATION FROM BUDGET (ORIGINAL)</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	45	45	0.0	62	64	-3.1
RESOURCES *	1,384	1,446	-4.3	1,384	1,384	0.0
GOVERNANCE	806	837	-3.7	831	854	-2.7
NEIGHBOURHOODS *	1,098	1,162	-5.5	1,015	1,059	-4.2
COMMUNITIES *	1,799	1,833	-1.9	1,761	1,795	-1.9
<b>TOTAL</b>	<b>5,132</b>	<b>5,323</b>	<b>-3.6</b>	<b>5,053</b>	<b>5,156</b>	<b>-2.0</b>

\* Agency costs are included in the salaries expenditure.

Please note a vacancy allowance of 1.50% has been deducted in all directorate budget provisions.

	15/16 Full Year Budget £'000	First Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	75	27	25	25	-2	-7	No major variances.
Bed & Breakfast Accommodation	121	20	21	15	1	5	There were fewer placements necessary in the prior year
Grants to Voluntary Groups	87	22	10	24	-12	-55	The spend on grants is lower in the first three months compared to last year, profile set quarterly at the present time. Grant release tends to slow in first part of the year.
Voluntary Sector Support	170	76	76	0	0	0	In the prior year no grants were released until August as a new Portfolioholder was appointed.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	107	37	37	27	0	0	There were fewer placements necessary in the prior year
	560	182	169	91			



	15/16 Full Year Budget £'000	First Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major income items</u>							
Development Control	675	151	237	207	86	57	Development Control fees are profiled on the average of the previous three years. The income received in the first quarter has exceeded both the budget to date and the previous years actual due to an increase in the number of planning applications received.
Building Control Fee Earning	386	107	125	108	18	17	Building Control fees are higher than the profiled budget and greater than the previous year actual which is a reflection of the change in the economy generating more building work. In addition, the service has strived to increase its share of the market by engaging in partnership working with local architects, builders and professionals.
Local Land Charges	215	60	50	68	-10	-17	Local Land Charges income is significantly lower in the first quarter of this year than the previous year due to a reduction in the number of searches carried out by the Council.
	1,276	318	412	383			

	15/16	First Quarter			15/16		Comments
	Full Year	15/16	15/16	14/15	Variance		
	Budget	Budget	Actual	Actual	Budget v	Actual	
£'000	£'000	£'000	£'000	£'000	%		
Major expenditure items:							
Refuse Collection	1,270	117	98	123	-19	-16	The expenditure variance is due to delays as regards Biffa invoicing.
Street Cleansing	1,208	101	115	153	14	14	The overspend relates to Street Arisings.
Recycling	2,411	203	199	355	-4	-2	No major variance.
Highways General Fund	64	12	0	7	-12	-100	The expenditure variances relates to other maintenance committed however invoices outstanding.
Off Street Parking	561	231	215	215	-16	-7	Various budget heads under spent.
North Weald Centre	209	73	55	55	-18	-25	Due to their nature, timing differences arise on Other and Runway Maintenance. It is a volatile budget.
Land Drainage & Contaminated Land	185	22	17	6	-5	-23	No major variances
	5,908	759	699	914			

	15/16 Full Year Budget £'000	First Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning/Local Plan	817	63	31	0	-32	0	There was expected to be little expenditure in the first quarter but the actual is even lower due to further slippage in the programme. This budget is due to be reviewed in detail during the autumn to assess when money will be spent and how much will be required to complete the process.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-132	-31	-16	-15	15	-48	} The in year variances are due to contractor invoices being one month in arrears at the end of June 2015. This situation also occurred last } financial year.
Epping Sports Centre	320	53	26	26	-27	-51	
Waltham Abbey Pool	523	87	43	43	-44	-51	
Ongar Sports Centre	301	50	25	25	-25	-50	
	1,012	159	78	79			

## DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	15/16 Full Year Budget	First Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget	15/16 Actual	14/15 Actual	£'000	%	
	£'000	£'000	£'000	£'000			
<u>Major income items:</u>							
Refuse Collection	41	10	12	11	2	20	No major variances
Recycling	1,408	61	4	-163	-57	-93	The income variance is made up of £70,000 less than expected as April's recycling credits had not been received, and £13,000 more for Waste Service Enhancements than budgeted for.
Off Street Parking	1,226	269	218	163	-51	-19	Pay and display income is still being received sporadically and hence is around 2 weeks in arrears.
North Weald Centre	774	307	256	408	-51	-17	There is one rent review ongoing and related rent arrears to be collected. During 2014/15 the basis for charging for the market was changed from a fixed rental to an income share. This resulted in a refund of some of the income shown at this stage in 2014/15 and reduced the full year estimate. The lease of the current operator ends at 31 December 2015 and an exercise is underway to find a replacement.
Hackney Carriages	181	45	49	54	4	9	No major variances.
Licensing & Registrations	114	12	12	12	0	0	No major variances.
Fleet Operations MOTs	228	57	60	61	3	5	No major variances.
	3,972	761	611	546			

	15/16	First Quarter			15/16		<u>Comments</u>
	Full Year	15/16	15/16	14/15	Variance		
	Budget	Budget	Actual	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,162	546	515	518	-31	-6	Rents from the Industrial units are slightly below expectations due to a number of units being vacant at the Oakwood Hill Workshop Units and an increased number of voids affecting the Langston Road Seedbed Centre income.
Business Premises - Shops	2,156	1,078	1,072	1,054	-6	-1	This income relates to non housing assets which include shops, doctors surgeries, a petrol station and public houses. Income is slightly below the profiled budget. The actual also includes rents billed in advance for the second quarter.
Land & Property	142	27	28	17	1	4	Commission is received from the David Lloyd Centre based on their turnover. Income relating to 2015/16 will be accounted for at the end of the year, but received during the initial part of 2016/17. Income received from land and property in the first quarter of 2015/16 is on target with the profiled budget.
	3,461	1,651	1,615	1,589			

	15/16 Full Year Budget £'000	First Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	510	61	42	45	-19	-31	Building Maintenance works are difficult to forecast but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The actual spend to date at quarter one for building maintenance is similar to the previous years actual.
Information & Communication Technology	940	555	552	615	-3	-1	The full year budget now comprises of the total cost of the councils ICT and communications expenditure including the Switchboard, Mobile Phones and the annual contract costs for all of the major systems in use. The prior year comparative has been adjusted to reflect this change. Expenditure is in line with the current budget spending profile as the majority of maintenance contracts for systems are paid at the beginning of the year with network charges continuing to be paid throughout the year.
Bank & Audit Charges	142	1	1	1	0	0	No significant expenditure occurs in either audit or bank charges until quarter 2.
	1,592	617	595	661			
<u>Major income items:</u>							
Investment Income	470	118	103	106	-15	-13	Investment interest is below that expected. Whilst Investment balances are around £10m higher than last year there are a number of significant capital projects that are expected to call on these funds so the original figure is unlikely to be met. Having said that the timings of capital spend are somewhat unpredictable and the actual income received will be heavily dependant on the progress of these schemes in general and the retail park in particular.
	470	118	103	106			

	15/16 Full Year Budget £'000	First Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	312	62	42	65	-20	-32	Expenditure is lower in 2015/16 due to less spending on Housing News, Legal and Professional Fees.
Housing Repairs	6,378	1,412	1,092	1,069	-320	-23	The underspend mainly relates to the responsive repairs of the HRA. The budget is profiled evenly across the year, as it is unknown when responsive repairs will arise. Gas servicing contract was expected to increase in cost but hasn't.
Special Services	1,158	262	178	103	-84	-32	The main areas showing an underspend are: Heating and Lighting and Equipment Maintenance.
	7,848	1,736	1,312	1,237			
<u>Major income items:</u>							
Non-Dwelling Rents	858	212	134	206	-78	-37	Income levels are down due to a higher than expected level of garage voids.
Gross Dwelling Rent	32,177	8,044	8,064	7,877	20	0	The variance between years is due to the annual rents increase which was 2.2% from April 2015.
	33,035	8,256	8,198	8,083			

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2015/16 DIRECTORATE CAPITAL MONITORING -  
COMMUNITIES

ANNEX 7

	15/16 Full Year Budget £'000	First Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Epping Forest District Museum	1,463	366	101	0	0	Please see comments on the major schemes schedule.
CCTV Systems	158	32	12	-20	-63	The 2015/16 CCTV capital budget covers the cost of work on seven schemes. The expenditure incurred to date relates to the purchase of new mobile cameras, which will be used throughout the District. Work on upgrading the system at North Weald Airfield is also complete although the invoice is yet to be received. The installation of CCTV cameras at the museum is progressing well and is expected to be completed within the next few months. Tenders are being sought to install cameras in the Council's car parks and the works are expected to be completed within the year. However, three schemes have been delayed including the scheme to provide CCTV coverage at the new Oakwood Hill depot; this is due to be undertaken at the end of the financial year. The two remaining schemes to locate cameras outside Epping Police Station and at Roundhills have been deferred due to officer capacity.
Housing Estate Parking	424	0	0	0	0	The off-street parking initiative comprises of a number schemes to provide parking bays on council housing estates and each scheme is jointly funded between the HRA and General Fund, depending on the mix of council owned and private properties. Works on the schemes were suspended while a tendering exercise was undertaken for the appointment of a design consultant. During the consultant tendering process, resident consultation on two off-street parking schemes are being undertaken and works are planned to commence on site in late autumn, depending on the results of the consultation and the appointment of a consultant. However, it is likely that the off-street parking budget will be underspent in 2015/16 and re-profiling of the budget into future years will be requested as part of the Capital Review.
<b>Total</b>	<b>2,045</b>	<b>398</b>	<b>113</b>			

	15/16	First Quarter		15/16		Comments
	Full Year	15/16	15/16	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
New Shopping Development at Langston Road	16,859	0	0	0	0	A supplementary capital estimate of £30,636,000 was approved by Cabinet in June for the purchase of Polofind's interest in the Epping Forest Shopping Park and the development of the site at Langston Road by the Council as sole owner developers; £16,636,000 has been included in this financial year and £14,000,000 in 2016/17. The purchase of Polofind's interest was completed on the 3rd July 2015, and the Section 278 highways works contract tender is scheduled to be issued during the week commencing 10th August 2015 with procurement required to comply with European Union Regulations. Tender documents for the main shopping park contract are being prepared and expected to be issued in early September. However, placing the contract is heavily dependent on progress on the Section 278 works. The current project plan anticipates that the new shopping park will be completed and ready for tenant fit-out in October 2016, with full opening for the Christmas trading period in December 2016. This project will be included on the major schemes schedule from next quarter onwards.
St John's Road Epping Development	1,000	0	0	0	0	With contracts between Essex County Council, Epping Town Council and Frontier Estates expected to be completed in October 2015, this scheme is on course to spend the full budget within this financial year. The £1,000,000 budget shown represents the net cost of the transactions to the Council. The gross costs and forecast capital receipts will be identified as part of the Capital Review. With regard to work starting on developing the site, it is unlikely that Frontier will obtain planning approval before late summer, early autumn 2016.
Sir Winston Churchill Pub House Development	35	9	7	-2	0	The developers of the Winston Churchill project intend to start on site at the beginning of October 2015. This project is anticipated to have a 20 month build programme which is expected to be completed in May 2017. The Council has retained the freehold but is not responsible for any of the capital costs associated with this development, other than legal costs. However, the Council will receive the commercial rental income from the new shops. Letting of the ground floor units is expected to start as soon as the development works have been completed and, after allowing for rent free periods, the Council expects to see rental income at the end of 2017.
Oakwood Hill Depot	2,625	0	-26	-26	0	The building contract for the new depot at Oakwood Hill has been signed, sealed and completed and the contractor has started work on design and enabling tasks. It is anticipated that work on the site will commence on 24th August 2015 with a pre-commencement meeting with the contractor having been scheduled for 12th August 2015. The project is due to be completed by the end of March 2016 and is on target for both time and budget. The negative actual figure shown on this report relates to a sundry creditor yet to be cleared.
2nd Floor Bridgeman Hse W Abbey	309	0	0	0	0	Officers continue to be involved in dialogue with Bridgemans in respect of the proposed purchase of office space on the second floor of Bridgeman House, in order to relocate staff from the Hemnall Street offices. Originally Bridgemans had suggested that they would be vacating the premises in July or August 2015, but this date has now been extended to March 2016.
North Weald Airfield	15	15	11	-4	-27	This budget is fully funded from contributions made in previous years from the airfield's market operator. This budget consists of a £15,000 contribution towards the installation of CCTV cameras around the airfield, with works already completed but not fully invoiced.
<b>Total c/f</b>	<b>20,843</b>	<b>24</b>	<b>-8</b>			

	15/16 Full Year Budget £'000	First Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
	Total b/f	20,843	24	-8		
Upgrade of Industrial Units	271	0	0	0	0	In October 2013 Stace were instructed to undertake an appraisal of the industrial units at Oakwood Hill Industrial Estate. They reviewed a typical lease to assess current repairing obligations and future liabilities and they also studied historical information including construction drawings. Within the terms of the lease, it is the landlord's obligation to ensure that all exterior additions are undertaken to a rentable standard and it is the tenant's responsibility to maintain skylights. With roof repairs needed to achieve current building regulation standards, four options were considered and overlay sheeting was decided to be the best method. Four contractors were asked to tender and Faircloth Construction submitted the most competitive tender overall. The main complication with this scheme has been how the Council would recover the costs of the works from its current tenants. It is anticipated that terms will be agreed within 6 months with works expected to start early 2016. Fees occurred on this scheme thus far only relate to Stace's consultancy and legal fees in 2014/15 with no expenditure in the first quarter of this financial year.
Waste Management Equipment	101	5	4	-1	-29	This budget is being reviewed in the light of the new contract.
Parking Schemes	317	79	0	-79	-100	The Buckhurst Hill parking review is an Epping Forest District Council funded scheme to ease parking pressures arising from commuter parking in Buckhurst Hill. The scheme is delivered by Essex Highways, and consequently it is dependent on Essex Highways and their ability to prioritise the works, which has in the past seen schemes of this nature being delayed. Currently, the review is in the implementation stage with signs and lines being installed which should be completed shortly, weather permitting. Once works on this review are complete, focus will change to the Loughton Broadway parking review. In 2015/16 it is expected that £40,000 will be spent at Buckhurst Hill, and that much of the budget will be requested as a carry forward. The Capital Review will take this on board.
Superfast Broadband Programme	84	0	0	0	0	An allocation of £84,000 has been set aside to co-fund the investment in superfast broadband and achieve 95% coverage in the district through the Superfast Essex programme co-ordinated by Essex County Council. Epping Forest District Council is also involved with the Rural Challenge Pilot Project (Phase 2b), the contract for which was awarded to Gigaclear on 29 June 2015. Gigaclear will deploy fibre-to-the-premise technology to more than 4,500 properties in the district, enabling these homes and businesses access to broadband speeds of 50Mbps and up to 1000Mbps. This project will begin in November 2015 and could take up to 18 months to complete.
Other Schemes	251	48	0	-48	-100	This category includes the Council's grounds maintenance vehicle replacement programme, the pay and display car park scheme and flood alleviation equipment. The grounds maintenance team are looking to procure a replacement vehicle in the new year, expecting delivery around January/February time. Much progress has been made on the installation of the 41 pay and display machines in the Council's car parks, although there have been some software issues which are being addressed. No payments were processed in the first quarter of the year but the budget is expected to be fully spent by the year end. Demands on the flood alleviation budget are being considered and a programme will be drawn up shortly.
<b>Total</b>	<b>21,867</b>	<b>156</b>	<b>-4</b>			

2015/16 DIRECTORATE CAPITAL MONITORING -  
RESOURCES

ANNEX 9

	15/16 Full Year Budget £'000	First Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
		Planned Maintenance Programme	916	198	159	
Solar Energy Panels	267	0	0	0	0	The project to install solar energy panels at the Civic Offices was rescheduled to commence after the completion of the window replacement works and the installation has been combined with essential roofing upgrade works. The window programme is almost complete and a contract has been let for the preliminary roofing works to the front of the main building and the Condor Building; work commences on the 17 August 2015 and is programmed for 12 weeks. The Photo voltaic panels will be installed on completion of these works.
ICT Projects & Other Equipment	401	100	99	-1	-1	During the first quarter of the ICT programme there has been key progression and completion of specific schemes. The Bankers' Automated Clearing Service replacement is due for completion by the end of August. The Uninterruptable Power Supply, Host Server and Virtual Private Network replacements have been completed, whilst the remote management and service desk systems have been installed and are currently undergoing configuration. The website development fund has been used to purchase a Freedom of Information system which will be implemented in September. At present it is expected that all the projects will be completed on time with no overspends anticipated.
<b>Total</b>	<b>1,584</b>	<b>298</b>	<b>258</b>			

	15/16 Full Year Budget £'000	First Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Housing Developments	5,772	1,443	236	-1,207	-84	Housing developments include phases 1 and 2 of the new house building programme and the conversion works at Marden Close and Faversham Hall. Please refer to Annex 12 (major schemes) for timings, costs and information on phase 1 of the new build scheme as well as an update on future phases. Regarding the conversion works at Marden Close and Faversham Hall, construction works commenced on site on 15 September 2014. The Contractor P A Finlay & Co encountered early delays on the contract. However, these have been resolved and the contact is on target to complete on time. However, a number of variations have been issued to account for unforeseen matters during this refurbishment contract. These include asbestos removal, roof repairs, lintels and window replacement and asphalt works to the external staircase to Faversham Hall. The estimated additional cost for these variations amounts to around £90,000.
Heating/Rewiring /Water Tanks	3,032	758	453	-305	-40	All areas of work are underspent in this category. One reason is that the contract for the replacement of gas communal boilers was only awarded in June so no costs were incurred in the first quarter. The replacement programme for communal water tanks in flats have been taking place over 5 years, which is due for completion in 2015/16; expenditure was low in the first quarter but is due to increase during the year. Likewise, the work planned for upgrading electric heating systems and associated rewiring has been scheduled to commence in the autumn.
Windows/Doors/Roofing	2,598	650	302	-348	-54	All budgets in this category are currently underspent with the largest underspend relating to the roofing programme. This is because the tiled roofing programme planned for this financial year has only recently commenced, with work in the first quarter focusing on completing some outstanding properties from last year's programme. On the other hand, the flat roofing programme is ahead of schedule as these works are profiled for completion in the summer months. Expenditure on window replacements is also showing a large underspend as the contract for replacement of windows in flats was only awarded at the end of June; commencing this programme along with window replacements to Council houses is expected to put expenditure back on target by the end of the year. The front entrance door replacement programme is currently on target and this budget is only slightly underspent.
Other Planned Maintenance	673	143	12	-131	-91	This category includes Norway House improvements, door entry system installations, Leonard Davis House conversion works and energy efficiency works and all the budgets are currently showing underspends. No works have been undertaken at Norway House to date but bathroom upgrades are due to commence in early autumn and other works later in the year. Limited work has been undertaken on door entry system installations so far this year as this programme is due to be tendered in the autumn and work on Leonard Davis House has not commenced yet. The budget for energy efficiency works is showing the largest underspend in this category. Generally energy efficiency works attract Government grant funding and the sudden withdrawal of the Green Deal funding has led to the suspension of the planned external wall insulation programme, which was the largest programme of work included in this budget. Following its suspension, alternative energy efficiency measures are being planned such as accelerating the air source heating programme, which attracts Government funding.
Kitchen Replacements	809	202	128	-74	-36	Both the kitchen and bathroom replacement budgets are currently underspent, it is anticipated that works on both programmes will be accelerated between September and December 2015. The completion of a four-year bathroom upgrade programme of the flats located in the blocks at Copperfield is due for completion by the end of 2015.
Bathroom Replacements	1,173	293	227	-66	-22	
<b>Total c/f</b>	<b>14,057</b>	<b>3,489</b>	<b>1,359</b>			

	15/16 Full Year Budget £'000	First Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Total b/f	14,057	3,489	1,359			
Void Refurbishments & Other Small Works	3,203	801	382	-418	-52	The nature of void works is that it is largely demand led and therefore it is difficult to predict expenditure outcomes each year. Although the budget is underspent at the end of the first quarter, expenditure is expected to increase towards the second half of the financial year based on trends experienced in previous years and it is thought likely that the budget will be fully spent by the end of 2015/16
Structural & Other Works	452	113	78	-35	-31	The structural repairs programme is on target to be completed by the end of the financial year. Currently, the programme is showing a small underspend as at the end of the first quarter but a number of structural projects are planned for the next six months which will increase expenditure.
Council Estate Parking, Garages & Other Environmental Works	1,578	190	49	-141	-88	This category includes garages, fencing, off street parking, estate environmental works, CCTV installations, external lighting schemes and a gas pipe-work replacement programme. Again, expenditure in the first quarter is low. The CCTV installation projects include: works for Springfields Waltham Abbey, which is currently awaiting quotes before a decision is made on the progress; Shelly Close Waltham Abbey, which has currently received planning permission with installation expected September onwards; and Limes Farm Green Block, which is expected to be undertaken in spring 2016. The largest programme within this category is for off-street parking which is jointly funded with the General Fund; a progress report can be found on the Communities sheet. The programme for the replacement of gas pipe-work at Ninefields is progressing well with the completion of a number of blocks late in June. Although expenditure is low at present it is expected to be back on target by the end of the year. The budget for external lighting schemes was increased this year with works well underway on a number of projects and overall expenditure is expected to be on budget by the year-end.
Disabled Adaptations	442	111	133	22	20	The budget for disabled adaptations is currently overspent due to an increase in demand combined with a number of large projects being undertaken at present. However, it is anticipated that expenditure can be controlled to avoid an overspend at the year-end by placing some disabled adaptation requests on hold until 2016/17.
Other Repairs and Maintenance	179	43	19	-24	-58	This category includes feasibilities, asbestos removal and the contingency budget; the largest budget being for asbestos removal. Expenditure on this budget is demand led and currently shows an underspend.
Capital Service Enhancements	350	28	6	-22	-94	The capital service enhancements budget includes the front entrance fire door replacement programme on leasehold properties, the Oakwood Hill Estate enhancement scheme, the refurbishment of communal kitchens in sheltered schemes and a small budget for the provision of electric scooter stores at sheltered schemes. The front entrance door replacement project is currently underspent, but demand is increasing and the underspend is expected to reduce in the next quarter. There has been no expenditure on the Oakwood Hill Estate enhancement scheme to date as the scope of the work has yet to be agreed with the project team, and expenditure is currently on hold. Phase 2 of the refurbishment of communal kitchens in sheltered schemes is progressing well with the completion of two kitchens in the summer and works are planned to refurbish another three kitchens over the next six months. Although underspent at present, expenditure is expected to catch up during the year and the budget is on target to be fully spent this financial year. After completing electric scooter stores at two sites last year, a review of demand for further scooter stores is being undertaken; a small budget is available this year for design works on two more sites and expenditure will depend on the results of the review.
Housing DLO Vehicles	58	0	0	0	0	A vehicle review is currently underway and it is expected to be concluded at the end of August to allow the replacement vehicles to be tendered through a framework agreement. Unlike previous years, when the budget has been used to replace transit vans, this year the budget is going to be used to procure tipper vans.
<b>Total</b>	<b>20,319</b>	<b>4,774</b>	<b>2,025</b>			

2015/16 DIRECTORATE CAPITAL MONITORING -  
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS))  
AND CAPITAL LOANS

ANNEX 11

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REFCuS	15/16 Full Year Budget £'000	First Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Disabled Facilities Grants	380	95	207	112	117	Expenditure on Disabled Facility Grants (DFGs) advanced to private sector residents in the District is currently exceeding the budget. The ability to control costs, however, is limited because the Council has a legal duty to provide DFGs to all residents who meet the eligibility criteria and residents are referred to Epping Forest District Council by occupational therapists provided by Essex County Council. The number of referrals has grown significantly since March 2013 due to an increase in the provision of the occupational therapist service by Essex County Council. The number of referrals rose significantly in 2014/15 and this increased level of demand has levelled off at an all-time high such that expenditure is forecast to be around £500,000 per year from 2015/16 onwards. Local authorities receive funding from the government in order to help them meet these statutory requirements. This funding now comes through the Better Care Fund, which is managed by Essex County Council, and the amount received for 2015/16 is £363,000. A report will be going to the Cabinet in September recommending that the budget be increased to cover the new level of demand and that this Council supplements the government funding received, from its own resources.
HRA Leaseholders	150	0	0	N/A	N/A	These costs relate to capital expenditure on sold Council flats and are currently shown in the HRA capital programme. They are will be identified once the works are complete and reported at the end of the financial year.
<b>Total</b>	<b>530</b>	<b>95</b>	<b>207</b>			

CAPITAL LOANS	15/16 Full Year Budget £'000	First Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Home Ownership Schemes	357	89	0	-89	-100	The Open Market Shared Ownership Scheme provides interest-free loans to B3Living (formerly Broxbourne Housing Association) to enable first time buyers to purchase properties on the open market on a shared ownership basis. EFDC's loan amounts funds 58% of B3Living's 50% share. Phase 1 of the scheme was completed in 2012/13 and 8 loans were advanced. The scheme is now in its second phase and this includes an allocation to fund 5 loans of which 2 were completed in 2013/14. No advances were made in the first quarter of the year but one purchase has subsequently completed and the loan for this was advanced in July 2015. The remaining 2 purchases are in progress. Consideration is currently being given to undertaking a phase 3 of the Scheme.
Repayable Private Sector Housing Loans	120	30	10	-20	-67	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock and replaces the old non-repayable grants scheme referred to above. The budget is underspent to date as the uptake for these loans has been low and, although it is now increasing, expenditure for the year is likely to be no more than £81,000. Any budget adjustments deemed necessary will be requested as part of the Capital Review.
<b>Total</b>	<b>477</b>	<b>119</b>	<b>10</b>			

**MAJOR CAPITAL SCHEMES  
HOUSE BUILDING PHASE 1**

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Tender Forecast	Pre-Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Original Forecast %	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	((E-A)/Ax100)	£'000 (C-D)
Apr-14	Jun-15	Oct-14	Apr-16	3,948	-478	3,470	620	3,470	-12%	2,850

**Phase 1 :** Work started on time in October 2014 on 4 sites in Waltham Abbey, which make up Phase 1 of the Council's Housebuilding Programme after the fifth site was rejected. However, the contractor Broadway Construction Ltd has not progressed with the works in a manner that will see the new homes completed within the original contract period. The latest estimate suggests that the Contractor is some 24 weeks behind programme, which moves the original contract completion date back to around 29 April. Broadway Construction Ltd (BCL) have indicated that they feel justified in making a claim for an extension of time with loss and expense as they feel the delays are not as a result of their actions. According to BCL, the delays are as a result of flood prevention measures required on one site; the requirement to achieve Code for Sustainable Homes Level 4; and issues pertaining to foundation and soil contamination remedial works across all 4 sites. One other cause that is cited is an issue with the design of the access road and maintaining fire access on one of the sites.

The Cabinet Committee met and considered whether the case warranted further negotiations with BCL. However, after considering the arguments for and against, it was agreed that when tendering for a contract that an amount should be factored into the costs for any unforeseen risks that could be incurred. The Cabinet Committee proposed that the Council should therefore enforce the contract with no additional costs being incurred by the Council.

**Future Phases:** The planning application for Phase 2 at Burton Road, Loughton has been submitted and, if approval is granted, the scheme is due to commence on site around February 2016. Planning applications are also due to be submitted for each of the 10 sites across Epping and North Weald that make up Phase 3 during August 2015. The target commencement date for Phase 3 is May 2016.

**EPPING FOREST DISTRICT MUSEUM**

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Tender Forecast	Pre-Updates	Approved Budget	Actual Expenditure To Date	Anticipated Outturn	Variance Anticipated Outturn to Original Forecast %	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	((E-A)/Ax100)	£'000 (C-D)
Feb-14	Jan-15	Apr-15	Nov-15	1,750	345	2,095	733	2,095	20%	1,362

In November 2012 the Museum Service submitted a bid to the Heritage Lottery Fund for an extension and redevelopment of the Epping Forest District Museum, this was supported by an agreed capital commitment from EFDC of £250,000 towards the purchase of the lease of the first floor of the adjoining 37 Sun Street. The bid was successful resulting in an award totalling £1,654,000 in March 2013; £1,500,000 for the capital redevelopment works and £154,000 for the associated engagement programme over a three year period. The project will transform the museum, providing step free access across the site and bringing a large percentage of the reserve collections, currently held at Langston Road depot into the heart of the museum.

Following the tender process and call in period, Coniston Ltd were selected as the preferred main contractors in December 2014 and Cabinet approved an additional allocation of £345,000 to allow for the agreed tendered sum. Works began on site at the end of April 2015 with a projected completion by end of October 2015. At the beginning of the contract, several elements of historic listed building fabric and archaeological features were uncovered which required recording before their removal and this led to an initial week's delay. Good progress was made following this until it was found that the builders undertaking the conversion of the second floor premises had cut through active ventilation ducts for the library. This has led to a further delay of one week. The conversion of 37 Sun Street in to the new gallery, stores and work areas is well underway, but recent difficulties with the planned installation of the lift, which enables the building to have step-free access (a main requirement of the HLF) may see a further delay of up to 5 weeks and may have cost implications to be assessed. The project architects and main contractors are trying to mitigate this through re-organising other areas of work, which it is hoped will reduce the overall delay in progress of the works. These issues are all associated with the anomalies found in such a historic building. Regular fortnightly site meetings continue to be held when progress is monitored. As the Council was unable to acquire the top floor of 37 Sun Street, some temporary alterations to access and additional fire protection has had to be put in place between the museum and the residential floor above. It is not known as yet if the Council will be able to acquire an area of office space on the second floor of the building. If this does prove to be possible, it will potentially enable the transfer of the Community Services team to be located all in the same building, therefore allowing quicker vacation of the Hemnall Street Office site.





## SCRUTINY



**Report to: Resources Select Committee**

**Date of meeting: 13 October 2015**

**Portfolio:** Finance (Councilor S. Stavrou)

**Subject:** Key Performance Indicators 2015/16 - Quarter 1 Performance

**Officer contact for further information:** B. Copson (01992 564042)

**Democratic Services Officer:** A. Hendry (01992 564246)

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### **Recommendations/decisions required:**

**That the Select Committee reviews performance against the Key Performance Indicators within its areas of responsibility, at the end of Quarter 1 (Q1).**

### **Executive Summary:**

The Local Government Act 1999 requires that the Council make arrangements to secure continuous improvement in the way in which its functions and services are exercised, having regard to a combination of economy, efficiency and effectiveness.

As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's services and key objectives, are adopted each year by the Finance and Performance Management Cabinet Committee. Performance against the KPIs is monitored on a quarterly basis by Management Board and overview and scrutiny to drive improvement in performance and ensure corrective action is taken where necessary.

### **Reasons for Proposed Decision:**

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement will be addressed, and how opportunities will be exploited and better outcomes delivered.

It is important that relevant performance management processes are in place to review and monitor performance against the key performance indicators to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

### **Other Options for Action:**

No other options are appropriate in this respect. Failure to monitor and review KPI performance and to consider corrective action where necessary could have negative implications for judgements made about the Council's progress, and might mean that opportunities for improvement are lost.

## Report:

1. A range of thirty-six (36) Key Performance Indicators (KPIs) for 2015/16 was adopted by the Finance and Performance Management Cabinet Committee in March 2015. The KPIs are important to the improvement of the Council's services, and comprise a combination of some former statutory indicators and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district.

2. Progress in respect of each of the KPIs is reviewed by the relevant Portfolio Holder, Management Board, and overview and scrutiny at the conclusion of each quarter. This report includes in detail only those indicators which fall within the areas of responsibility of the Resources Select Committee

3. A headline Quarter 1 performance summary in respect of each of the KPIs falling within the Resources Select Committee's areas of responsibility for 2015/16, is attached as Appendix 1 to this report together with details of the specific three-month performance for each indicator. In response to feedback from the former scrutiny panels, some of the indicator dashboards now include more detail in the chart and the 'Additional Information' fields.

4. Improvement plans are produced for all of the KPIs each year, setting out actions to be implemented in order to achieve target performance, and to reflect changes in service delivery. In view of the corporate importance attached to the KPIs, the improvement plans are agreed by Management Board and are also subject to ongoing review between the relevant service director and Portfolio Holder over the course of the year. The Improvement Plans for the suite of indicators which fall within the areas of responsibility of the Resources Select Committee are attached as Appendix 2 to this report.

### Key Performance Indicators 2015/16 – Quarter 1 Performance

5. The overall position with regard to the achievement of target performance for **all** of the KPIs at the end of Q1, was as follows:

- (a) 22 (61%) indicators achieved target at the end of Q1;
- (b) 14 (39%) indicators did not achieve the Q1 target; although
- (c) 3 (8%) indicators performed within their tolerated amber margin.
- (d) 27 (75%) indicators are currently anticipated to achieve their cumulative year-end target.

6. Nine (9) of the Key Performance Indicators fall within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at the end of Q1 for these 9 indicators, was as follows:

- (a) 6 (67%) indicators achieved the Q1 target;
- (b) 3 (33%) indicators did not achieve their Q1 target; and
- (c) 1 (11%) indicators performed within its tolerated amber margin.
- (d) 7 (78%) indicators are currently anticipated to achieve their cumulative year-end target.

7. The 'amber' performance status used in KPI reports identifies indicators that have missed the agreed target for the quarter, but where performance is within an agreed tolerance or range (+/-). The KPI tolerances were agreed by Management Board when targets for the KPIs were set in February 2015.

8. The Select Committee is requested to review first quarter performance in relation to the KPIs for 2015/16 within its areas of responsibility.

**Resource Implications:**

Resource requirements for actions to achieve specific KPI performance for 2015/16 will have been identified by the responsible service director and reflected in the budget for the year.

**Legal and Governance Implications:**

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2015/16 will have been identified by the responsible service director.

**Safer, Cleaner, Greener Implications:**

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district. Relevant implications arising from actions to achieve specific KPI performance for 2015/16 will have been identified by the responsible service director.

**Consultation Undertaken:**

The performance information and targets set out in this report have been submitted by each appropriate service director and have been reviewed by Management Board. The individual KPI improvement plans for 2015/16 were agreed by the Board.

**Background Papers:**

First-quarter KPI submissions held by the Performance Improvement Unit. Detailed performance data is held by the responsible service director.

**Impact Assessments:**


***Risk Management***

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific KPI performance for 2015/16 will have been identified by the responsible service director.

***Equality:***

There are no equality implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2015/16 will have been identified by the responsible service director.

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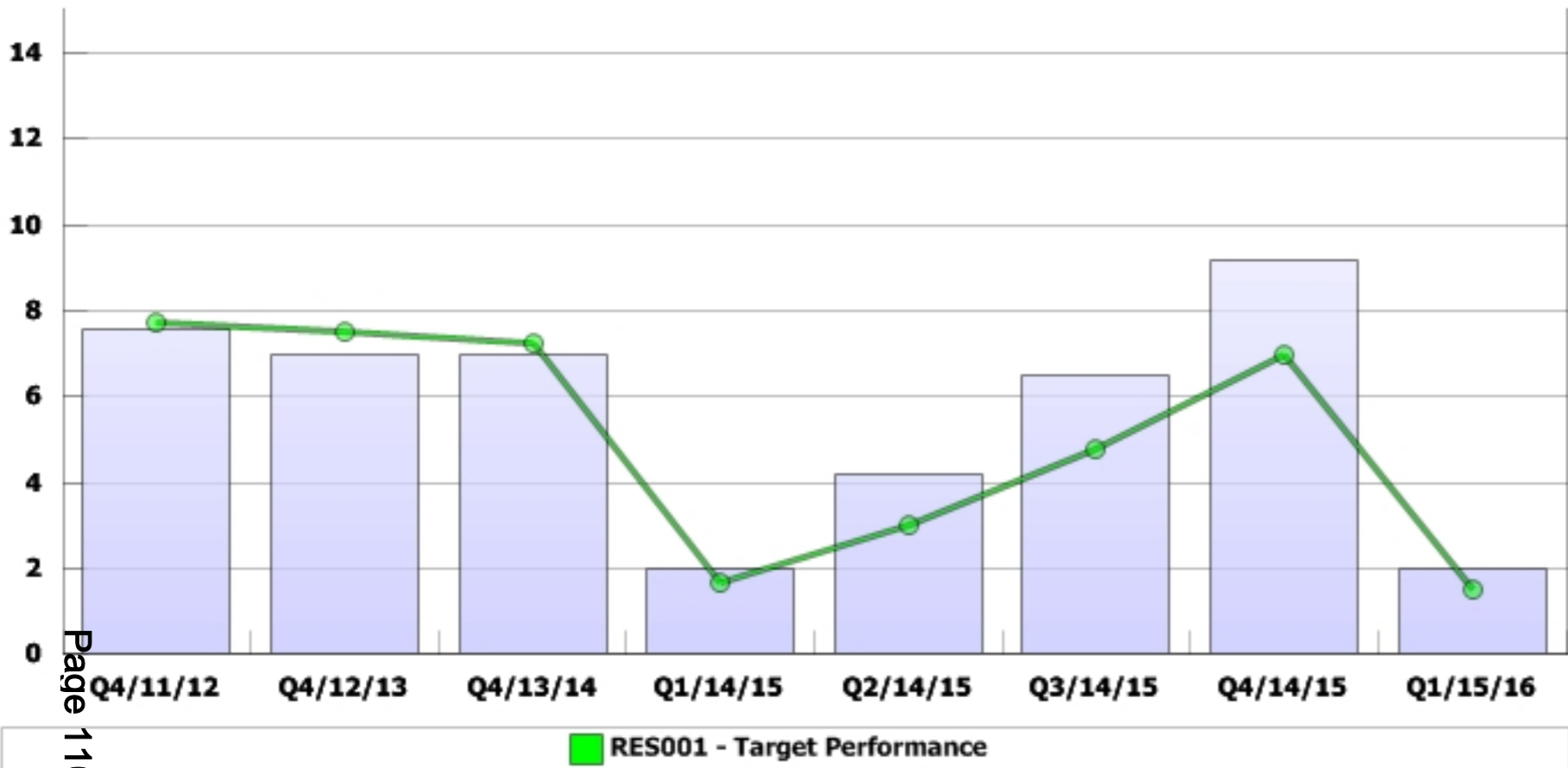
Quarterly Indicators		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Is year-end target likely to be achieved?
		Tgt	Actual	Tgt	Actual	Tgt	Actual	Tgt	Actual	
<b>Resouces Quarterly KPIs</b>										
RES001	(Sickness absence) (days)	1.54	2.02		3.20	4.95	7.00	No		
RES002	(Invoice payments) (%)	97.00%	95.00%		97.00%	97.00%	97.00%	No		
RES003	(Council Tax collection) (%)	27.10%	27.56%		51.98%	77.00%	96.50%	Yes		
RES004	(NNDR Collection) (%)	28.38%	28.52%		53.04%	78.09%	97.20%	Yes		
RES005	(New benefit claims) (days)	22.00	22.56		22.00	22.00	22.00	Yes		
RES006	(Benefits changes) (days)	10.00	7.03		10.00	10.00	6.00	Yes		
RES009	(Website Availability) (%)	99.60%	99.96%		99.60%	99.60%	99.60%	Yes		
RES010	(Website Broken Links) (%)	94.1%	95.5%		94.1%	94.1%	94.1%	Yes		
RES011	(Website Navigation) (%)	79.9%	82.0%		79.9%	79.9%	79.9%	Yes		

# RES001 How many working days did we lose due to sickness absence?

**Additional Information:** This indicator monitors the level of staff sickness absence across the authority, and supports the implementation of the Council's Managing Absence Policy. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on performance@eppingforestdc.gov.uk or by telephone on 01992 564042.

## Current and previous quarters performance

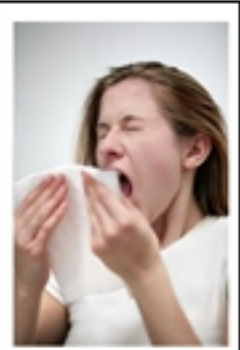


Quarter	Target	Actual	Status
Q1/15/16	1.54	2.02	✗
Q4/14/15	7.00	9.20	✗
Q3/14/15	4.82	6.51	✗
Q2/14/15	3.05	4.21	✗
Q1/14/15	1.69	2.03	✗

**Annual Target:** 2015/16 - 7.00 days  
 2014/15 - 7.00 days  
**Indicator of good performance:**  
 A lower number of days is good  
 ↓ is the direction of improvement



**Is it likely that the target will be met at the end of the year?**  
 No



### Comment on current performance (including context):

(Q1 2015/16) Sickness absence continues to be above target in each quarter since Q1 2014/15.

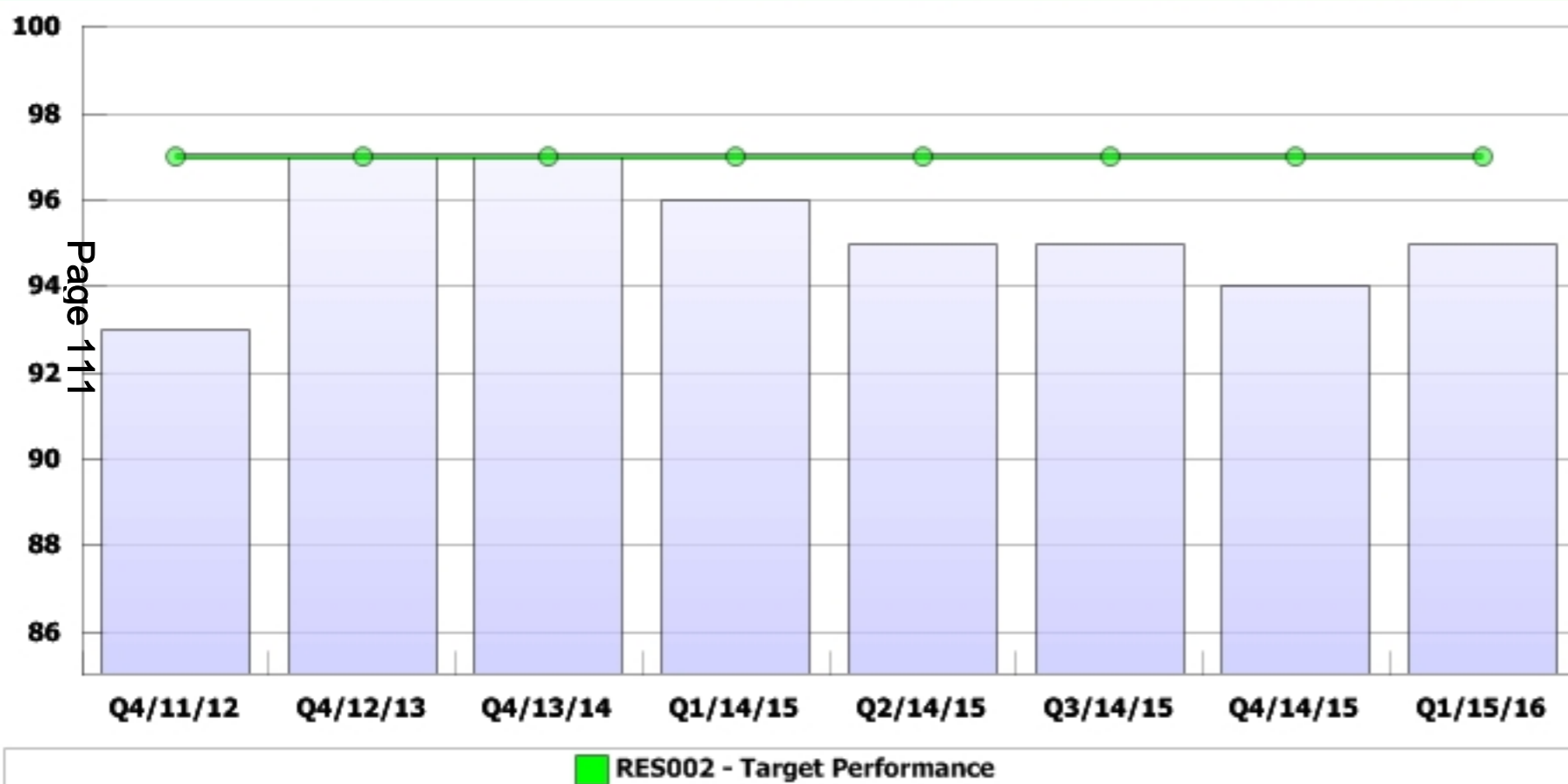
### Corrective action proposed (if required):

- (Q1 2015/16) The Improvement Plan states;
1. The Assistant Director (HR) will carry out further analysis on the increase in the number of days taken for mental health issues.
  2. HR will arrange mandatory workshops for managers to ensure that the Council's Managing Absence Policy is applied consistently and timely across the authority. In addition, managers will be encouraged to become proactive when managing absence.
  3. HR will arrange workshops for managers on mental health issues.
  4. HR will work with Directors to produce the most useful management information regarding sickness absence
  5. The Assistant Director (HR) to meet with the Council's Occupational Health provider regarding the information provided to managers by their doctors. (This has been completed)
  6. The Council's sickness absence position will be published in District Lines.

**Additional Information: This indicator encourages the prompt payment of undisputed invoices for commercial goods and services**

For enquiries regarding this indicator contact the Performance Improvement Unit by email on performance@eppingforestdc.gov.uk or by telephone on 01992 564042.

### Current and previous quarters performance



Quarter	Target	Actual
Q1/15/16	97.00%	95.00%
Q4/14/15	97.00%	94.00%
Q3/14/15	97.00%	95.00%
Q2/14/15	97.00%	95.00%
Q1/14/15	97.00%	96.00%

Annual Target: 2015/16 - 97.00%  
2014/15 - 97.00%

Indicator of good performance:  
A higher percentage is good

↑ is the direction of improvement

Is it likely that the target will be met at the end of the year?

No

### Comment on current performance (including context):

(Q1 2015/16) - Whilst performance was a percentage point higher than the final position for 2014/15 it was still 2% lower than the target. There is always a significant increase in invoice numbers in March and April 2015 which did lead to some delays in invoice processing within the Accounts payable section during those months, some suppliers were paid after the 30 days but in many cases only by two or three days. There were also some delays in invoices being passed to Accounts payable.

### Corrective action proposed (if required):

(Q1 2015/16) - Some invoices are being passed to Accounts Payable unregistered. Practice has been to add three days to the invoice date in these cases. It appears though that in many cases these are actually invoices in dispute and therefore end up failing the KPI due to the time lag between the registration date (3 days after receipt) and when they are actually received. An e-mail reminding staff to pass all invoices received to Accounts Payable immediately for registration will be sent.

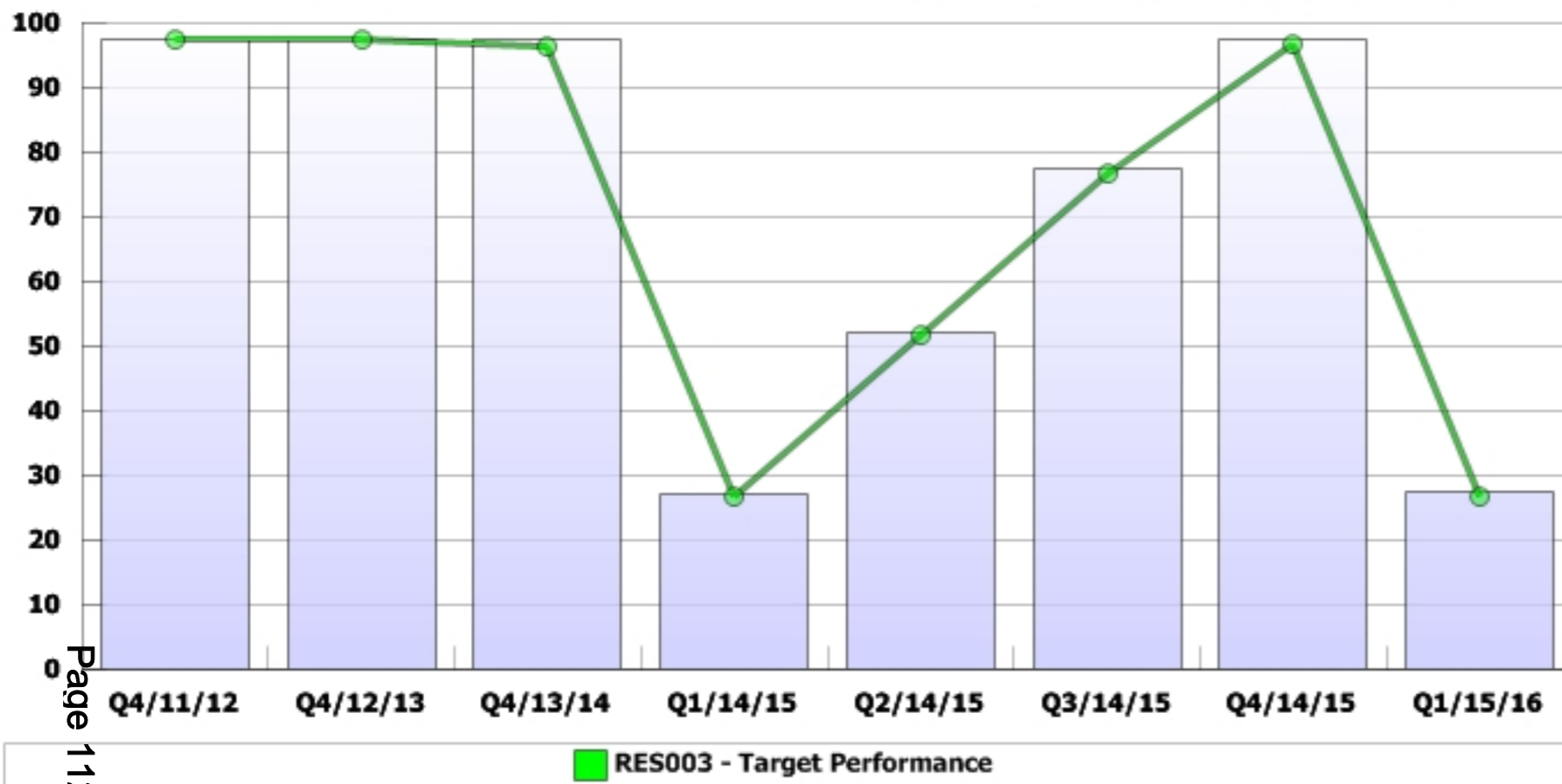
As previously noted there appears to be rather more invoices actually in dispute than are notified to accounts payable as being in dispute. This is a regular reason for KPI failure and again a further reminder is probably necessary.

E-invoicing is being explored and which when fully implemented should improve performance.

**Additional Information:** This indicator monitors the rate of collection of Council Tax. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on [performance@eppingforestdc.gov.uk](mailto:performance@eppingforestdc.gov.uk) or by telephone on 01992 564042.

Current and previous quarters performance



Quarter	Target	Actual
Q1/15/16	27.10%	27.56%
Q4/14/15	97.00%	97.79%
Q3/14/15	77.56%	77.63%
Q2/14/15	51.94%	52.40%
Q1/14/15	27.03%	27.32%



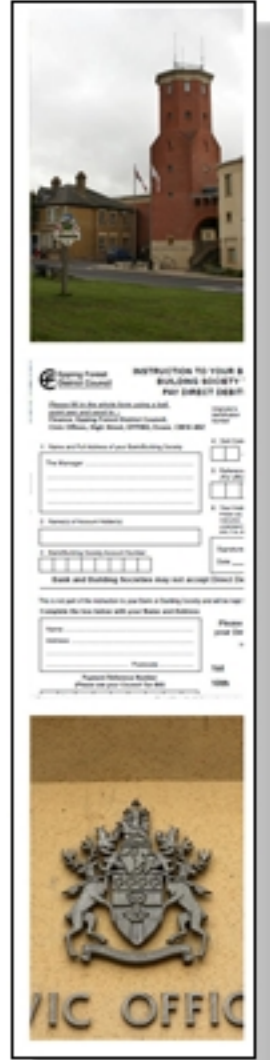
**Annual Target:** 2015/16 - 97.00%  
 2014/15 - 97.00%

Indicator of good performance:  
 A higher percentage is good

↑ is the direction of improvement

Is it likely that the target will be met at the end of the year?

Yes



Comment on current performance (including context):

(Q1 2015/16) The collection performance is 0.24% up on the same stage in 2014/15.

Corrective action proposed (if required):

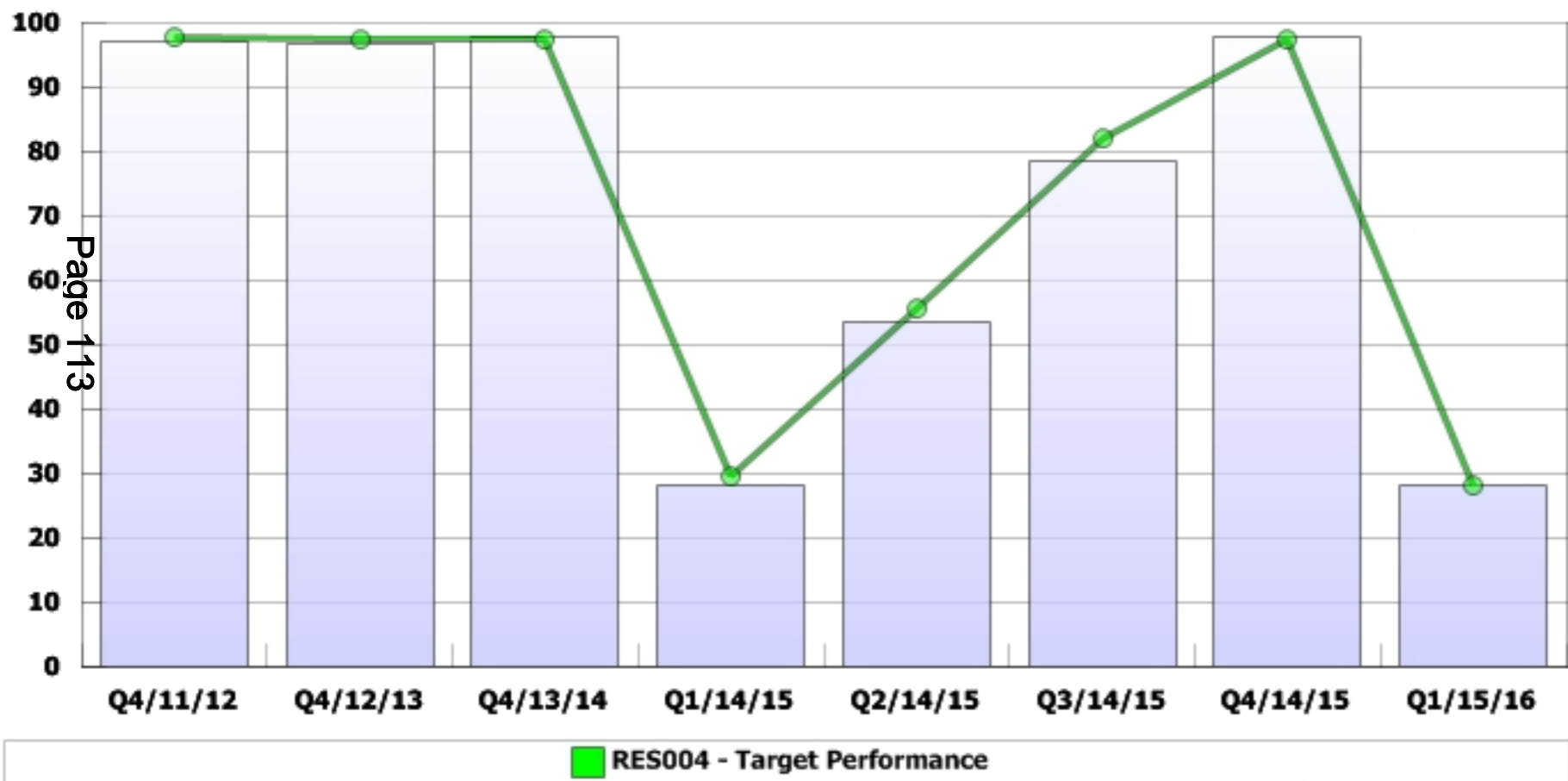
(Q1 2015/16) Collection and recovery procedures are in place for outstanding debts.



**Additional Information:** This indicator monitors the rate of collection of National Non-Domestic rates. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on [performance@eppingforestdc.gov.uk](mailto:performance@eppingforestdc.gov.uk) or by telephone on 01992 564042.

Current and previous quarters performance



Quarter	Target	Actual	Status
Q1/15/16	28.38%	28.52%	✓
Q4/14/15	97.70%	97.86%	✓
Q3/14/15	82.33%	78.72%	✗
Q2/14/15	55.97%	53.63%	✗
Q1/14/15	29.68%	28.43%	✗

**Annual Target:** 2015/16 - 97.70%  
 2014/15 - 97.70%

Indicator of good performance:  
 A higher percentage is good

↑ is the direction of improvement

Is it likely that the target will be met at the end of the year?

Yes



Comment on current performance (including context):

(Q1 2015/16) The collection performance is 0.09% up on the same stage last year

Corrective action proposed (if required):

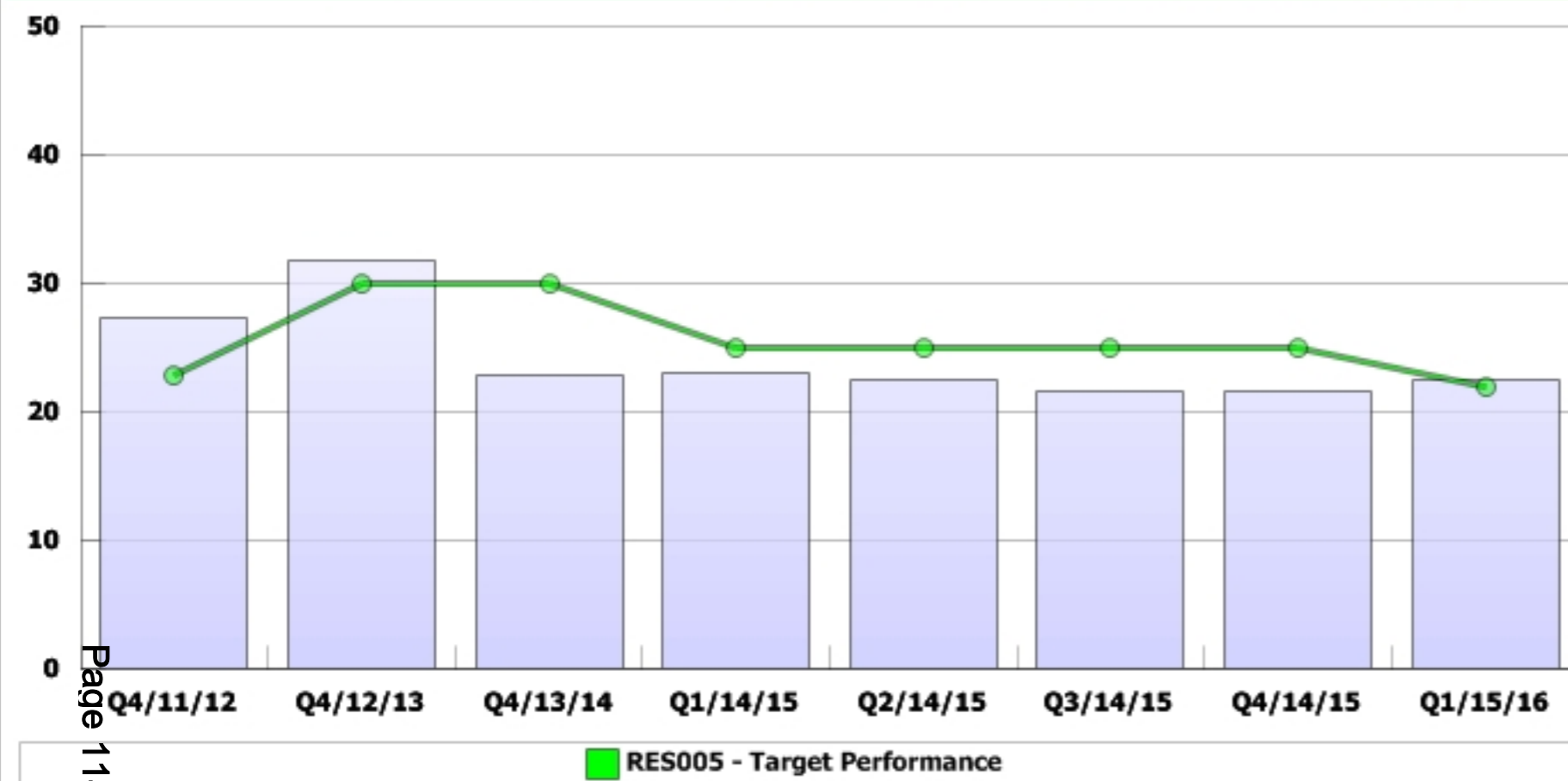
(Q1 2015/16) The Council is taking recovery action to collect the outstanding debts.

## RES005 On average, how many days did it take us to process new benefit claims?

**Additional Information:** This indicator monitors the administration of Housing and Council Tax Benefit. Targets and performance are measured in days.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on [performance@eppingforestdc.gov.uk](mailto:performance@eppingforestdc.gov.uk) or by telephone on 01992 564042.

### Current and previous quarters performance



Quarter	Target	Actual
Q1/15/16	22.00	22.56
Q4/14/15	25.00	21.74
Q3/14/15	25.00	21.63
Q2/14/15	25.00	22.55
Q1/14/15	25.00	23.06



**Annual Target:** 2015/16 - 22.00 days  
 2014/15 - 25.00 days  
**Indicator of good performance:**  
 A lower number of days is good

↓ is the direction of improvement

Is it likely that the target will be met at the end of the year?

Yes

### Comment on current performance (including context):

(Q1 2015/16) - The first quarter generally has longer processing times due to the large number of changes of circumstances that occur in March and April. However, performance has improved on the quarter 1 performance in 2014/15 of 23.06 days. Performance is on course to achieve the target.

### Corrective action proposed (if required):

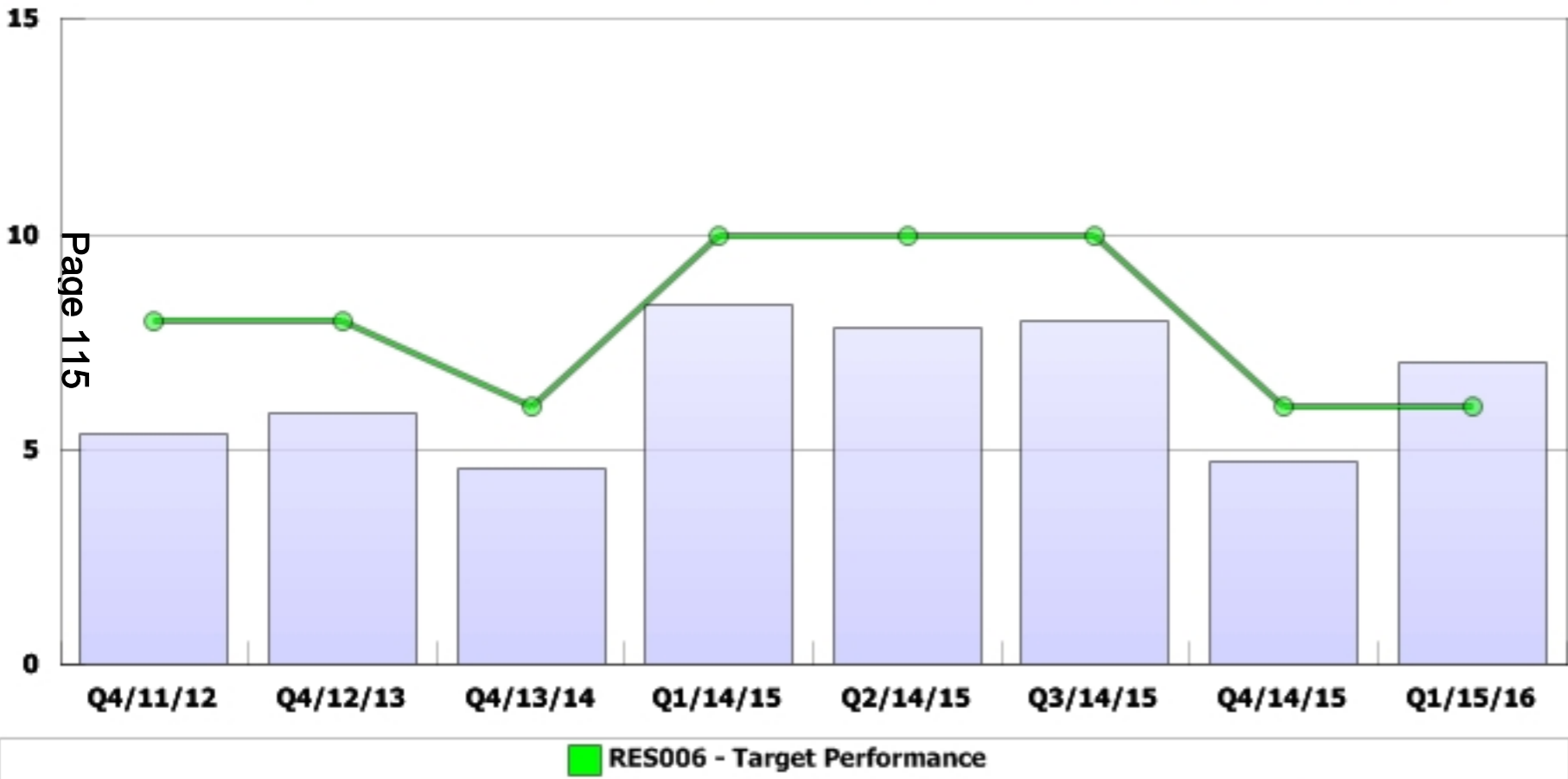
(Q1 2015/16) - Performance is monitored on a weekly basis and improvements to processes are made when appropriate.

**RES006 On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?**

**Additional Information:** This indicator monitors the administration of Housing and Council Tax Benefit. Targets and performance are measured in days.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on performance@eppingforestdc.gov.uk or by telephone on 01992 564042.

**Current and previous quarters performance**



Quarter	Target	Actual	Status
Q1/15/16	10.00	7.03	✓
Q4/14/15	6.00	4.74	✓
Q3/14/15	10.00	8.00	✓
Q2/14/15	10.00	7.87	✓
Q1/14/15	10.00	8.36	✓

**Annual Target:** 2015/16 - 6.00 days  
 2014/15 - 6.00 days  
**Indicator of good performance:**  
 A lower number of days is good  
 ↓ is the direction of improvement

Is it likely that the target will be met at the end of the year?  
 Yes

**Comment on current performance (including context):**

(Q1 2015/16) - Performance is on course to achieve the target. The first quarter generally has longer processing times due to the large number of changes of circumstances that occur in March and April. However, performance has improved on the quarter 1 performance in 2014/15 of 8.36 days.

**Corrective action proposed (if required):**

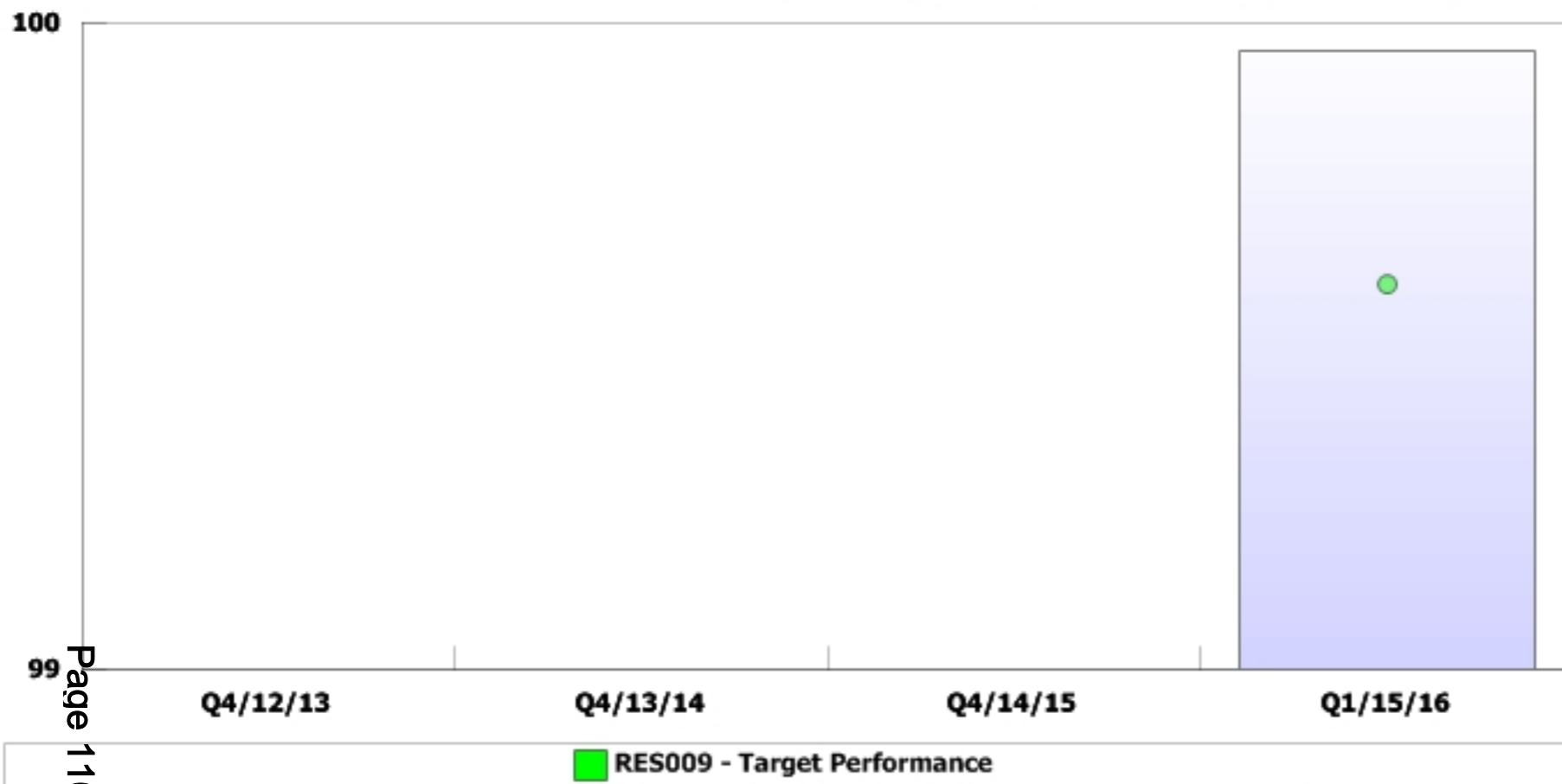
(Q1 2015/16) - Performance is monitored on a weekly basis and improvements to processes are made when appropriate.

**RES009 Are customers needs being met by the corporate websites being available**

**Additional Information:** This indicator measures aspects of website functionality which will affect user experience. The amount of time the website is available impacts on the successful provision of Council information and a positive website user experience. These indicator provides technical information (availability, or 'uptime' ) against which customer satisfaction can be inferred.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on performance@eppingforestdc.gov.uk or by telephone on 01992 564042.

**Current and previous quarters performance**



Quarter	Target	Actual
Q1/15/16	99.60%	99.96%
Q4/14/15		0.00%
Q4/13/14		0.00%
Q4/12/13		0.00%



Annual Target: 2015/16 - 99.6%  
2014/15 -

Indicator of good performance:  
A higher number is good

↑ is the direction of improvement

Is it likely that the target will be met at the end of the year?

Yes

**Comment on current performance (including context):**

(Q1 2015/16)  
RES009 is a new KPI for 2015/2016.  
The target for uptime of 99.6% was achieved with the average uptime across the 5 sites being 99.96%. ICT continuously monitors performance in real time and responds to outages during the year.

**Corrective action proposed (if required):**

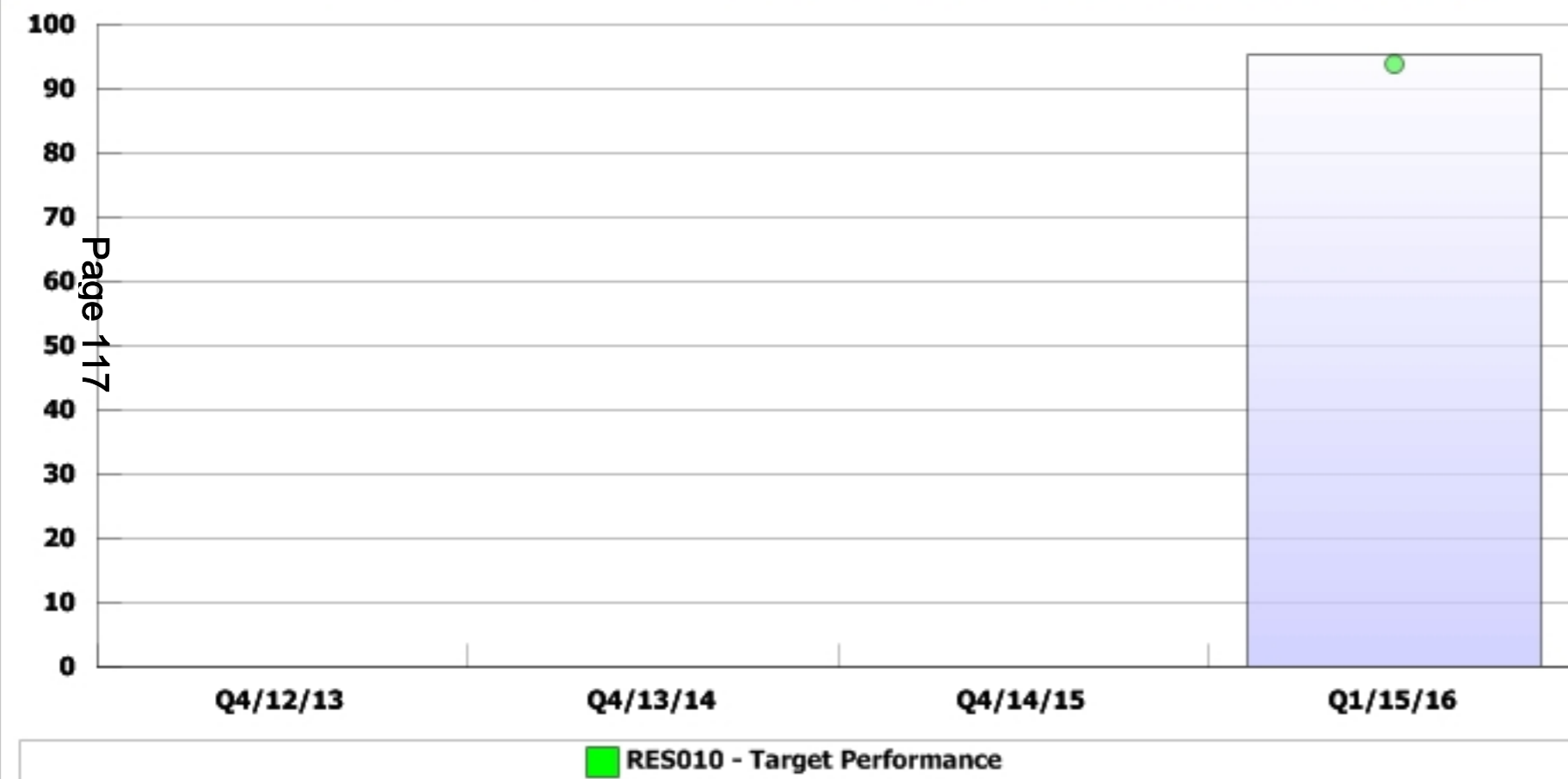
(Q1 2015/16) None.

## RES010 Are customer needs being met by the Corporate Website not having broken links?

**Additional Information:** This indicator measures aspects of website functionality which will affect user experience. The the absence of broken links impacts on the successful provision of Council information and a positive website user experience. This indicator provides quality information against which customer satisfaction can be inferred.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on [performance@eppingforestdc.gov.uk](mailto:performance@eppingforestdc.gov.uk) or by telephone on 01992 564042.

### Current and previous quarters performance



Quarter	Target	Actual
Q1/15/16	94.1%	95.5%
Q4/14/15		0.0%
Q4/13/14		0.0%
Q4/12/13		0.0%



Annual Target: 2015/16 - 94.1%  
2014/15 -

Indicator of good performance:  
A higher number is good

↑ is the direction of improvement

Is it likely that the target will be met at the end of the year?

Yes

### Comment on current performance (including context):

(Q1 2015/16)  
RES010 is a new KPI for 2015/2016.  
The target for the number of pages without broken links on is 94%. The actual percentage of pages without any broken links on was 95.47% made up of 40 broken links on 882 main website pages. These broken links will be continually monitored and corrected during the year, increasing the number of pages without any broken links on.

### Corrective action proposed (if required):

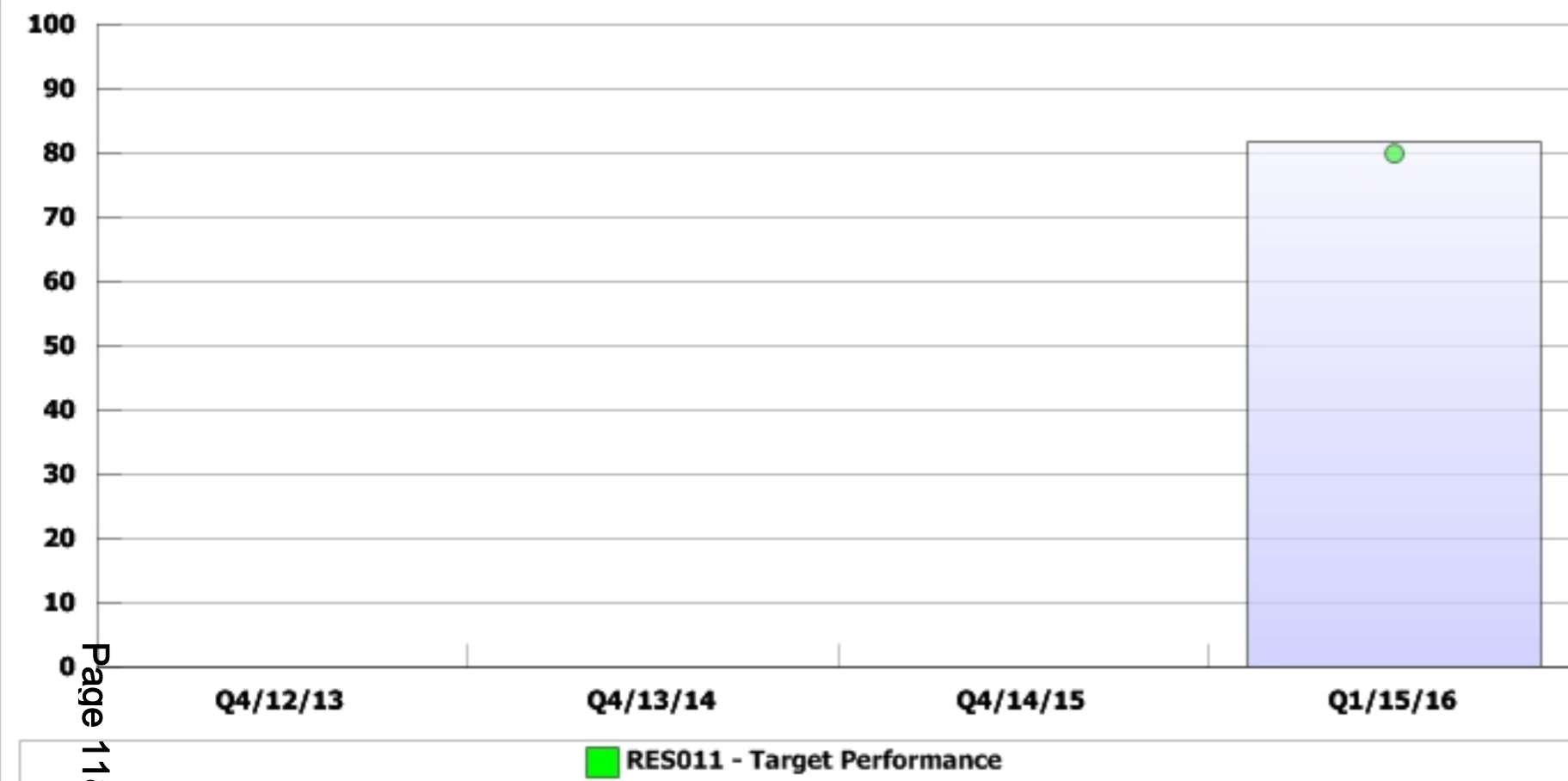
(Q1 2015/16) None

## RES011 Are customer needs being met by the main Corporate Website having effective navigation?

**Additional Information:** This indicator measures aspects of website functionality which will affect user experience. The ease of navigation impacts on the successful provision of Council information and a positive website user experience. This indicator provides quality information against which customer satisfaction can be inferred.

For enquiries regarding this indicator contact the Performance Improvement Unit by email on [performance@eppingforestdc.gov.uk](mailto:performance@eppingforestdc.gov.uk) or by telephone on 01992 564042.

### Current and previous quarters performance



Quarter	Target	Actual
Q1/15/16	79.9%	82.0%
Q4/14/15		0.0%
Q4/13/14		0.0%
Q4/12/13		0.0%



Annual Target: 2015/16 - 79.9%  
2014/15 -

Indicator of good performance:  
A higher number is good

↑ is the direction of improvement

Is it likely that the target will be met at the end of the year?

Yes

### Comment on current performance (including context):

(Q1 2015/16)  
RES011 is a new KPI for 2015/2016.  
The visit depth target for the main website is 79.9%. Visit depth is the number of page views for each visit with the target based on 1 to 4 page views. The target was achieved with 81.79% of the 153,066 pages views in Qtr1 being between 1 to 4 pages. This will be monitored throughout the year.

### Corrective action proposed (if required):

(Q1 2015/16) None

**RES01 How many working days did we lose due to sickness absence?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
6.99 days	7.01 days	9.20 days	7 days

**Responsible Officer**

**Bob Palmer**  
Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
A detailed discussion will take place with Management Board regarding the sharp rise of the Council's absence figures during 2014/2015. As part of the discussion an action plan will be agreed.	10 June 2015 Management Board	Detailed report will be submitted to Management Board regarding 2014/2015 sickness absence.

**Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.**

Currently no additional resources are required.

**Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.**

Flu/other infection epidemic.  
The Council has an ageing workforce which may be more susceptible to operations/procedures that require some recuperation time

**RES02 What percentage of the invoices we received was paid within 30 days?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
97%	97%	94%	97%

**Responsible Officer**

**Bob Palmer**  
Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
Reminder e-mails stressing the importance of passing invoices in a timely fashion and making sure officers register disputed invoices on the Accounts Payable system	31/7/15	
The Council is in the process of implementing E-invoicing which will significantly reduce the amount of paper invoices being passed around the authority. This will take time to implement so it is unlikely to have an impact on the 2015/16 KPI	December 2015	Pilot exercise complete October 15 full rollout Marketplace and OHMS November 15

**Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.**

It is intended to implement E-invoicing from within approved budgets so no additional resources are currently required.



Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.

**RES03 What percentage of the district's annual Council Tax was collected?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
97.82%	97.62%	97.79%	97.00%

**Responsible Officer**

**Bob Palmer**  
Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
Review the current Revenues structure and staffing provision to maximise the opportunities offered by Information @ Work and call-centre technology to increase efficiency and enhance customer service	31/03/16	Implementation of new structure
To build upon the Implementation of Citizen Connect to enable domestic and business bill payers access to view their accounts, make applications, provide information about changes in circumstances, sign up for Direct Debit and e-billing	01/12/15	Go-live date of 01/12/15

**Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.**

There is the anticipation that there will be net savings from the Revenues restructure.

The development of channel shift through Citizen Connect will require additional modules to be purchased. When the costs have been quantified a report will be brought forward to Management Board for a bid to either the Transformation or Invest to Save funds.

**Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.**

The ability to deliver the channel shift projects does require the resource of the Revenues system administration team. The work has been planned within current priorities but should higher priorities unexpectedly arise with the Academy Revenues system or there be a reduction in the resource in this area this may delay implementation.

**RES04 What percentage of the district's annual business rates was collected?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
96.85%	98.09%	97.86%	97.7%

**Responsible Officer**

**Bob Palmer  
Director of Resources**

Improvement Action	Target Dates	Key Measures / Milestones
Review the current Revenues structure and staffing provision to maximise the opportunities offered by Information @ Work and call-centre technology to increase efficiency and enhance customer service	31/03/16	Implementation of new structure
To build upon the Implementation of Citizen Connect to enable domestic and business bill payers access to view their accounts, make applications, provide information about changes in circumstances, sign up for Direct Debit and e-billing	01/12/15	Go-live date of 01/12/15

**Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.**

There is the anticipation that there will be net savings from the Revenues restructure.

The development of channel shift through Citizen Connect will require additional modules to be purchased. When the costs have been quantified a report will be brought forward to Management Board for a bid to either the Transformation or Invest to Save funds.

**Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.**

The ability to deliver the channel shift projects does require the resource of the Revenues system administration team. The work has been planned within current priorities but should higher priorities unexpectedly arise with the Academy Revenues system or there be a reduction in the resource in this area this may delay implementation.

**RES05 On average, how many days did it take us to process new benefit claims?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
31.83 days	23.00 days	21.74 days	22.00 days

**Responsible Officer**

**Bob Palmer**  
Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
Regular review of procedures to reduce delays and unnecessary requests for information.	10th July 2015, 9 <sup>th</sup> October 2015 and 15th January 2016	Weekly monitoring and KPI performance reported on a quarterly basis
Review documentation to encourage claimants to provide documentation with their applications and reduce the need to write to request the information that has not been provided.	9 <sup>th</sup> October 2015	Weekly monitoring and KPI performance reported on a quarterly basis
Regular review of training requirements	10th July 2015, 9 <sup>th</sup> October 2015 and 15th January 2016	Weekly monitoring and KPI performance reported on a quarterly basis

Improvement Action	Target Dates	Key Measures / Milestones
Recruitment of experienced staff to vacant posts. If experienced staff can be recruited, the training required will be reduced.	As vacancies arise	Weekly monitoring and KPI performance reported on a quarterly basis

**Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.**

No additional resources are currently required.

**Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.**

The Government is pursuing a significant programme of Welfare Reform to reduce the overall welfare bill by £12 billion. It is not yet clear how this programme will effect claimants or local authorities.

**RES06 On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
5.86 days	4.58 days	4.74 days	6.00 days

**Responsible Officer**

**Bob Palmer**  
Director of Resources

<b>Improvement Action</b>	<b>Target Dates</b>	<b>Key Measures / Milestones</b>
Regular review of procedures to reduce delays and unnecessary requests for further information relating to a change in circumstances.	10th July 2015, 9 <sup>th</sup> October 2015 and 15th January 2016	Weekly monitoring and KPI performance reported on a quarterly basis
Regular review of training requirements	10th July 2015, 9 <sup>th</sup> October 2015 and 15th January 2016	Weekly monitoring and KPI performance reported on a quarterly basis
Recruitment of experienced staff to vacant posts. If experienced staff can be recruited, the training required will be reduced.	As vacancies arise	Weekly monitoring and KPI performance reported on a quarterly basis
Recruitment of experienced staff to vacant posts. If experienced staff can be recruited, the training required will be reduced.	As vacancies arise	Weekly monitoring and KPI performance reported on a quarterly basis

**Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.**

No additional resources are currently required.

Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.

The Government is pursuing a significant programme of Welfare Reform to reduce the overall welfare bill by £12 billion. It is not yet clear how this programme will effect claimants or local authorities.

**RES09 Are customer needs being met by the Corporate websites being available?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
NEW KPI	NEW KPI	NEW KPI	99.6%

**Responsible Officer**

**Bob Palmer**  
Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
This is a new KPI. ICT will monitor performance in real time, respond to outages and make recommendations to the Website Development Board.	N/A	To meet target.

Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.

Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.

**RES010 Are customer needs being met by the Corporate websites not having broken links?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
NEW KPI	NEW KPI	NEW KPI	94.1%

**Responsible Officer**

**Bob Palmer  
Director of Resources**

Improvement Action	Target Dates	Key Measures / Milestones
PR website team to set up automated distribution of broken links report to all website publishers on a monthly basis.	14 <sup>th</sup> July 2015	To meet target.



Improvement Action	Target Dates	Key Measures / Milestones
Directorate website publishers to act on broken links report within 14 days of receipt of the report.	28 <sup>th</sup> July 2015	To meet target.

Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.

Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.

**RES011 Are customer needs being met by the main Corporate websites having effective navigation?**

Outturn			Target
2012/13	2013/14	2014/15	2015/16
NEW KPI	NEW KPI	NEW KPI	79.9%

**Responsible Officer**

**Bob Palmer**  
Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
PR to monitor reports and manage menus accordingly.	14th July 2015	To meet target.

**Please detail any budget or resource implications of the improvement actions you have listed overleaf. Please quantify any additional resources which will be required to implement the improvements and detail how the additional resources will be allocated.**

**Please describe any contextual factors, internal or external, which may impact upon the ability to deliver the improvements listed.**