

Committee Agenda



**Epping Forest
District Council**

Finance and Performance Management Cabinet Committee Thursday, 22nd March, 2018

You are invited to attend the next meeting of **Finance and Performance Management Cabinet Committee**, which will be held at:

**Committee Room 1, Civic Offices, High Street, Epping
on Thursday, 22nd March, 2018
at 7.00 pm .**

**Derek Macnab
Acting Chief Executive**

**Democratic Services
Officer**

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Members:

Councillors G Mohindra (Chairman), S Stavrou, A Lion, C Whitbread and J Philip

PLEASE NOTE THE START TIME OF THIS MEETING

BUSINESS

1. APOLOGIES FOR ABSENCE

2. SUBSTITUTE MEMBERS

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

3. DECLARATIONS OF INTEREST

(Director of Governance) To declare interests in any item on this agenda.

4. MINUTES (Pages 3 - 14)

To confirm the minutes of the last meeting of the Committee held on 18 January 2018.

**5. KEY PERFORMANCE INDICATORS - 2017/18 QUARTER 3 PERFORMANCE
(Pages 15 - 28)**

(Assistant Director – Accountancy) To consider the attached report (FPM-022-2017/18).

6. QUARTERLY FINANCIAL MONITORING (Pages 29 - 52)

(Assistant Director Accountancy) To consider the attached report (FPM-023-2017/18).

7. RISK MANAGEMENT - CORPORATE RISK REGISTER (Pages 53 - 86)

(Assistant Director Accountancy) To consider the attached report (FPM-024-2017/18).

8. ANY OTHER BUSINESS

Section 100B(4)(b) of the Local Government Act 1972, requires that the permission of the Chairman be obtained, after prior notice to the Chief Executive, before urgent business not specified in the agenda (including a supplementary agenda of which the statutory period of notice has been given) may be transacted.

9. EXCLUSION OF PUBLIC AND PRESS

Exclusion: To consider whether, under Section 100(A)(4) of the Local Government Act 1972, the public and press should be excluded from the meeting for the items of business set out below on grounds that they will involve the likely disclosure of exempt information as defined in the following paragraph(s) of Part 1 of Schedule 12A of the Act (as amended) or are confidential under Section 100(A)(2):

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

The Local Government (Access to Information) (Variation) Order 2006, which came into effect on 1 March 2006, requires the Council to consider whether maintaining the exemption listed above outweighs the potential public interest in disclosing the information. Any member who considers that this test should be applied to any currently exempted matter on this agenda should contact the proper officer at least 24 hours prior to the meeting.

Background Papers: Article 17 - Access to Information, Procedure Rules of the Constitution define background papers as being documents relating to the subject matter of the report which in the Proper Officer's opinion:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) have been relied on to a material extent in preparing the report and does not include published works or those which disclose exempt or confidential information and in respect of executive reports, the advice of any political advisor.

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance **Date:** Thursday, 18 January 2018
Management Cabinet Committee

Place: Council Chamber, Civic Offices, **Time:** 7.00 - 8.48 pm
High Street, Epping

Members Present: Councillors G Mohindra (Chairman), A Lion, S Stavrou, C Whitbread and W Breare-Hall

Other Councillors: Councillors R Bassett, D Dorrell, H Kane, S Kane and A Patel

Apologies: J Philip

Officers Present: G Chipp (Chief Executive), R Palmer (Director of Resources), D Macnab (Deputy Chief Executive and Director of Neighbourhoods), C O'Boyle (Director of Governance), A Hall (Director of Communities), P Maddock (Assistant Director (Accountancy)), D Bailey (Head of Transformation), T Brown (Senior Finance Officer), J Bell (Senior Account), J Whittaker (Finance Officer), A Hendry (Senior Democratic Services Officer) and R Perrin (Democratic Services Officer)

33. Webcasting Introduction

The Democratic Services Officer reminded everyone present that the meeting would be broadcast live to the Internet and that the Council had adopted a protocol for the webcasting of its meetings.

34. Substitute Members

The Cabinet Committee noted that Councillor W Breare-Hall would substitute for Councillor J Philip at this meeting.

35. Declarations of Interest

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

36. Minutes

RESOLVED:

That the minutes of the meeting held on 16 November 2017 be taken as read and signed by the Chairman as a correct record.

37. Risk Management - Corporate Risk Register

The Director of Resources presented a report regarding the Council's Corporate Risk Register.

The Corporate Risk Register was considered by the Risk Management Group on 12 December 2017 and the minutes of that meeting were then reviewed by

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Management Board. These reviews identified amendments and one new risk for the Corporate Risk Register, which were updated as follows;

(a) Risk 1 Local Plan

The risk had been updated following the Submission Version 2017 of the Local Plan being agreed by Council at the Extraordinary Meeting on 14 December 2017. The risk vulnerability had been amended to reflect the submission deadline of 31 March 2018. Controls and Required further management actions were also updated.

(b) Risk 2 Strategic Sites

The Effectiveness of controls/actions had been amended to advise the updated position for the key sites. Construction had started at Waltham Abbey Leisure Centre and contractors were digging out the swimming pool. Marketing of the Pyrles Lane Nursery site would commence in January 2018.

(c) Risk 4 Finance Income

The Key date had been updated to advise that the budget would be considered at the Council meeting on 22 February 2018.

(d) Risk 7 Business Continuity

The risk vulnerability had been amended to note the need for business continuity responsibilities to be updated following the re-organisation.

(e) Risk 9 Safeguarding

The Key date had been amended to May 2018, to reflect the revised submission date for ESCB (Safeguarding Children) audit.

(f) New Risk 11 Transformation Programme

The major programme to modernise working practices and improve efficiency had reached a key stage and would be included in the Corporate Risk Register. The Vulnerability, Triggers and Consequence along with supporting controls had been set out and the risk had been scored A1 (Very High Likelihood/Major Impact).

The Cabinet Committee advised that the risk profile for the new Risk 11, Transformation Programme was too high and should be reduced, as there was both political and officer willpower to modernise the Council. The Cabinet Committee agreed that a more appropriate risk score would be B1.

The Director of Neighbourhoods advised that the Chinese Government had indicated that they would no longer accept imports of paper and card board for recycling, which could have implications for the Council. The Waste Contractor, Biffa advised that they were currently looking for alternative markets although there was a risk share arrangement with the Council to recycle commodities and this could result in a financial loss, but the situation would be monitored. The Chairman asked the Portfolio Holder for Environment, if he wished for this to be added to the Risk Register. Councillor W Breare-Hall advised that he would monitor the situation in consultation with officers, as the position was uncertain at the moment and not add it to the Risk Register.

Resolved:

1. That the risk Vulnerability, Controls and Management actions for Risk 1 be updated;
2. That the Effectiveness of controls/actions for Risk 2 be updated;
3. That the revised Key date for Risk 4 be updated;
4. That the Vulnerability for Risk 7 be updated;
5. That the revised Key date for Risk 9 be updated;
6. That a new Risk 11 - Transformation Programme be agreed and that the Vulnerability, Triggers and Consequence along with supporting controls had been set out and the risk had been scored B1 (High Likelihood/Major Impact).

Recommended:

7. That the amended Corporate Risk Register be recommended to Cabinet for approval.

Reason for Decision:

It was essential that the Corporate Risk Register was regularly reviewed and kept up to date.

Other Options Considered and Rejected:

Members could suggest new risks for inclusion or changes to the scoring of existing risks.

38. Detailed Directorate Budgets 2018/19

The Assistant Director Accountancy presented a summary of the detailed directorate budgets for 2018/19. He advised that the checking process would continue and slight adjustments would be made until the Budget was agreed by Council on 22 February 2018.

The report provided the draft General Fund and Housing Revenue Account (HRA) Budgets for the financial year 2018/19 and was presented on a directorate by directorate basis. There were accompanying notes giving some background to each service heading and any CSB (Continuing Services Budget) and DDF (District Development Fund) changes proposed. This was the Cabinet Committee's opportunity to comment and make recommendations prior to the budget being formally set.

The budget setting process had commenced with the presentation of the Financial Issues Paper incorporating the Medium Term Financial Strategy (MTFS) at the Cabinet Sub-Committee on 20 July 2017, which had identified a savings target for 2018/19 of £0.3 million. The settlement figures provided in December 2015 had been for four years and the Council signed up on the understanding that the figures would be set at that level. However an update had been provided which had reduced the 2018/19 figure by £7,000 and the 2019/20 figure by £50,000. The Government had also provided an update on the New Homes Bonus which would provide £50,000 less than previously estimated in 2018/19. This had resulted in the CSB lists now

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showing a reduction in funding of £1.125 million as opposed to £1.075 million previously. However there were significant savings from the new Leisure Management Contract and additional income from Land and Property.

The move to 100% retention of Business Rates locally, was still being worked on by Central Government and was likely to be later than originally expected. Furthermore, a number of the county areas had applied for pilot status but unfortunately Essex had not been successful and the current retention proportions of 40% District, 9% County and 1% fire were likely to change.

The budgets highlighted areas where Continuing Services Budget (CSB), District Development Fund (DDF) savings or growth and Invest to Save (ITS) expenditure had occurred and also where allocation or other changes had affected the budgets. It was noted that with regard to ITS, the figures included within the budgets related to revenue items only. Each budget was presented by the relevant Director.

Chief Executive

The Chief Executive reported that the budget was made up of mostly recharges for corporate and public accountability activities, subscriptions and Transformation Projects. The original estimate for 2017/18 had been expenditure of £1,466 million, with a probable outcome of £1,408 million. The net increases had been attributed to internal recharges of the Customer Services Team incorporating the Neighbourhoods Contact Centre. The 2018/19 budget also included DDF allocations for process mapping and organisational redesign activities, as well as an ITS allocation for a behavioural insights programme.

Communities Directorate

The Director of Communities reported that the directorate was responsible for three distinct budgets, which were the Housing General Fund, Community Services & Safety and the Housing Revenue Account (HRA).

The Housing General Fund mainly covered Private Sector Housing, which showed a reduction of 9% between the original and probable outturn for 2017/18. This was mainly down to a reduction in Private Housing grants and more external funding from the Better Care Fund being received than expected, which reduced the Council's costs. The other main part of the Housing General Fund was Homelessness, which showed a reduction of 32% between the original estimates and probable outturn for 2017/18, which was mainly due to receiving all of the Flexible Homelessness Support Grant in 2017/18, to implement the Homelessness Reduction Act.

The Community Services and Safety budget on Voluntary Sector Support was approximately on budget at £430,000 with the 2018/19 budget being similar. There had been a small increase in the Museum, Heritage and Culture budget for support services charges for externally funded projects.

The Director of Communities advised that the Community, Health and Wellbeing budget had increase by 4.5% because of funding from externally funded projects being received last year. Finally, the Safer Communities budget showed an increase of £34,000, which related to the Cabinet decision to employ the Parkguard Security Company, to provide additional security presence in the District until March 2018. The budget for next year had not included any provision for the report being considered at the Cabinet meeting on 1 February 2018 for additional Police Officers which would need to be included, if agreed.

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The Cabinet Committee commented that under the Voluntary Sector Support Budget, a correction was required, advising that the Welfare Transport was provided by Community Transport and not Voluntary Action Epping Forest (VAEF).

Housing Revenue Account

The Director of Communities reported that some of the expenditure and income allocated to the HRA were governed by legislation and were therefore not controlled by the Council. The Management and Maintenance budget, which covered Supervision & Management (General), Supervision & Management (Special) and the Housing Repairs Fund showed a probable outcome of 2.5% lower than the original estimate.

The budget for next year had been increased by 4.1%, mainly in respect of the redundancy and pension strain for the Council's new organisational structure, and a 1.6% contribution to the Housing Repairs Fund for inflation repair costs. The Major Repairs on Leasehold Properties showed significant expenditure changes in 2017/18 and 2018/19, which had been due to how the expenditure on leasehold properties was now accounted for, having previously been accounted for within the Housing Capital Programme and gross rent of dwellings had been expected to fall by around £388,000 because of the requirement to reduce rents by 1% in real terms. The Director of Communities commented that the reduction in income would have been greater if the Council had not been undertaking its Council house building Programme. It was also noted that there would again be no contribution to the Self Financing Reserve, although the recent HRA Financial Options Review had already identified that this would not be possible and that additional borrowing would be required in any event, but that the thirty year HRA Financial Plan had made provisions for this fact.

Governance Directorate

The Director of Governance reported that the net expenditure had increased from £3.015 million to £3.560 million in 2018/19, which had been mainly accounted for in an increase in expenditure of DDF items.

The highlighted variances within the directorate budget showed a 20% increase in Development Control Fees and Charges; the cost of District Elections in 2018/19 of £139,000; £278,000 for the establishment of a Strategic Sites Implementation Team for the Local Plan implementation work, which would be off-set by any additional development control applications, developer contributions and planning performance agreements.

The Director of Governance advised that Corporate Fraud Team had started to provide a shared service with Brentwood District Council and had achieved an expected income of £13,910 in 2017/18 and £27,280 in 2018/19. There were also the on going costs of modernising the Planning, Building Control and Legal Services to electronic records.

Neighbourhoods Directorate

The Director of Neighbourhoods reported that the net expenditure had decreased from £9.679 million to £7.243 million in 2018/19, which had been partly to do with the revenue costs falling away, increased income from land and property assets and savings from the leisure contract.

With regards to the Epping Forest Retail Park, three vacant units were in active negotiations and the full year effects of the income would be confirmed in 2018/19. The leisure contract was due to deliver further efficiency savings and the main DDF item of expenditure had been the Local Plan.

Other items worth mentioning were the Harlow & Gilston Garden Town expenditure, which the Council held the funds for, as part of a tri-authority project; the increased cost associated with fly tipping, although some recovery costs were being obtained from ECC and private land owners; the North Weald Airfield events income which had been slightly down although compensated for by other income streams; the potential costs of paper and cardboard recycling in the Waste Management Contract and the increase in properties in the district pushing up the collection costs. Furthermore, income of the three new car parks had been delayed and officers had undertaken to review the parking tariffs in light of the TfL increases.

Following the Extraordinary Council meeting on 14 December 2017, the Council undertook the gathering of evidence for Regulation 19, to enable the submission of the Local Plan by 31 March 2018. This had caused revisions to both the estimates and DDF in 2017/18.

Resources Directorate

The Director of Resources reported that there had been a significant increase in net expenditure from the probable outturn of £2.549 million to £3.537 million. This had been due to the People Strategy, which included the anticipated redundancy, early retirement costs and the first part of the salary savings at a combined net cost of around £700,000 and the new IT Strategy for £500,000.

Other highlighted changes within the directorate budget were the associated costs of providing Housing Benefit services which had increased by £50,000; the Finance Miscellaneous net expenditure which included the costs and savings relating to the People Strategy; a CSB growth of £67,000 for an uplift in the Civic Offices Non Domestic Rates, which was being appealed by the Estates Department and a one-off amount of £120,000 for the accommodation review; a reduction in CSB of £15,000 for payment card surcharge income on credit card payments; and finally other support services costs associated with the apprentices levy of £75,120.

Recommended:

- (1) That the detailed directorate budget for the Chief Executive be recommended to the Cabinet for approval;
- (2) That the detailed directorate budget for Communities be recommended to the Cabinet for approval;
- (3) That the detailed directorate budget for Governance be recommended to the Cabinet for approval;
- (4) That the detailed budget for Neighbourhoods be recommended to the Cabinet for approval;
- (5) That the detailed budget for Resources be recommended to the Cabinet for approval; and
- (6) That the detailed budget for the HRA be recommended to Cabinet for approval.

Reasons for Decisions:

To give Members an opportunity to review and provide recommendations on the detailed budget prior to adoption by Council.

Other Options Considered and Rejected:

Other than deciding not to review the budget there were no other options.

39. Any Other Business

That, as agreed by the Chairman of the Cabinet Sub-Committee and in accordance with Section 100B(4)(b) of the Local Government Act 1972, the following items of urgent business be considered following the publication of the agenda:

- Detailed Directorate Budgets 2018/19.

40. Council Budgets 2018/19

The Director of Resources presented a report detailing the proposed Council Budget for 2018/19, which added £1.14 million to reserves and maintained the Council's policy on the level of reserves throughout the period of the Medium Term Financial Strategy (MTFS). Over the course of the MTFS, the use of reserves to support spending peaks at £326,000 in 2020/21, reducing to £285,000 in 2021/22. The budget had been based on the assumption that Council Tax would not increase and that average Housing Revenue Account rents would decrease by 1% in 2018/19.

The annual budget process commenced with the Financial Issues Paper (FIP) being presented to the Sub-Committee on 20 July 2017 and continued the earlier start to the process, which reflected concerns over the reform of financing for local authorities. It highlighted the uncertainties associated with Central Government Funding, Business Rates Retention, Welfare Reform, New Homes Bonus, Development Opportunities, Transformation, Waste and Leisure Contracts, Miscellaneous, including recession and pay awards.

In setting the budget for the current year members had anticipated using £100,000 from the General Fund reserves, which had been possible as the MTFS approved in February 2017 showed a combination of net savings targets and limited use of reserves. The limited use of reserves in 2017/18 had not been significant because the MTFS at that time had predicted the use of just under £0.38 million of reserves to support spending in the following three years.

The revised MTFS presented with the FIP took into account all the changes known at that point and highlighted the uncertainties around income from business rates. The projection showed a need to achieve additional net savings of £300,000 on the 2018/19 estimates, followed by £250,000 in 2019/20 and £150,000 in 2020/21, to keep the revenue balances comfortably above the target level at the end of 2020/21.

The budget guidelines for 2018/19 were therefore established as; the ceiling for CSB net expenditure be no more than £12.92 million including net growth/savings; the ceiling for DDF net expenditure be no more than £0.929 million; and the District Council Tax would continue to be frozen.

The overall position was that considerable progress had been made on Transformation with expenditure and savings being included in the budget for

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2018/19 and significant additional expenditure was expected for the expansion in community safety budgets, to help address the district wide problem of anti-social behavior.

The Director of Resources reported that the DCLG four-year settlement had been accepted and the Settlement Funding Assessment (SFA) had reduced by £6,623 for 2018/19 and by £49,756 for 2019/20, which had meant that overall the SFA had reduced by £2.48 million or over 45%. The Local Government Information Unit briefing on the draft settlement showed that the Council had the sixth largest reduction in funding of all authorities.

The Council Tax had not increased since 2010/11 and the Cabinet Committee had been very clear in July 2017 that the Council Tax would not be increased while the General Fund balance remained comfortably above the minimum requirement. The most significant change in the Council Tax referendum principles for 2018/19 was an increase of £12 per band D property being allowed for Police and Crime Commissioners (PCC) in Essex which would be an increase from £157 to £169.

Regarding the Business Rate Retention, the Essex group had been unsuccessful in piloting 100% business rates retention, although the DCLG had confirmed that the current pooling arrangement would be allowed to continue. The net effect of the pooling was that the council had been better off for pooling by £118,000 in 2015/16 and £393,000 in 2016/17. Current monitoring of the pool indicates that there would again be a significant benefit in 2017/18 although wider co-operation in attempting to construct an Essex wide bid had meant that authorities which were outside the pool for 2017/18 such as Southend and Chelmsford would now join the pool for 2018/19, which brought a greater element of risk and may not be beneficial for 2019/20.

The business rate income anticipated very little growth after 2016/17, despite the building of the retail park and other known likely developments within the district. The estimates for 2017/18 would be the first year which had been billed using the new rating list and the basic tariff for 2018/19 had reduced by £125,520 and subsequently £216,807 for 2019/20. However, the tariff had still increased by more than £0.5 million in 2019/20, which caused a reduction in expected income from £4.7 million to £4.2 million and would be particularly challenging for estimating business rates. There were also still hundreds of appeals outstanding on the old list, which were difficult to produce a uniform percentage to apply. The one property in the south of the district still caused concern as the rateable value approached £6 million and if the appeal was successful, there would be a significant shortfall. The total provision against appeals was currently close to £4.2 million.

The scheme of Local Council Tax Support (LCTS) would see no significant changes being proposed for 2018/19. The introduction of the Benefits Cap and the further reduction by £6,000 had resulted in around 139 cases with the average weekly loss being £49.15. There had been the introduction of several measures for Universal Credit (UC) to ease the roll out, such as the removal of the seven-day waiting period before a claim could start; those already on Housing Benefit would continue to receive their award for the first two weeks of their UC claim; and the relaxation on the rules on awarding and recovering advances to make it easier for claimants to have the housing element of their award paid direct to their landlords. UC was also being rolled out based on Job Centres and the District was covered by seven, therefore not all new claimants would be fully covered until December 2018. Furthermore, the grant paid to local authorities to administer housing benefit had received substantial reductions of £42,000 in 2017/18 and £29,000 in 2018/19.

The reductions in New Homes Bonus (NHB) for 2017/18 had been far greater than had been anticipated with qualifying properties reducing, meaning that £16,000 for 2017/18 would be received instead of £320,000. The baseline at 0.4% had eliminated most of the growth and would severely limit the income from NHB going forward with no additional NHB being awarded for 2018/19 and the Council being £50,000 worse than had been anticipated with NHB income from 2016/17 to 2020/21 reducing by £2.6 million.

The Director of Resources advised that there had been some slippage in the programme for the retail park and the highways issues had caused part of the project to be over budget with the Council approving a supplementary estimate of £741,000 on 21 December 2017. Most of the large units were now occupied and trading before Christmas, with only three units under negotiation. The professional advisers had stated that an annual rental income of £2.7 million would be achievable and the MTFS had included a prudential amount of £2.5 million, to allow for any shortfall, management costs and interest. There were still delays with the mixed use re-development of the St Johns area in Epping, although it appeared to be nearing a conclusion and the former Winston Churchill pub site had also suffered delays. The income from these projects had been reduced and re-phased to later periods.

Progress had been made on all three of the key transformation projects regarding accommodation, people and technology. Unfortunately the accommodation works had been put on hold pending a meeting with Historic England and could be different to what had been envisaged. The People Strategy and the Common Operating Model had been agreed by Cabinet on 7 December 2017. The fundamental change in the organisational structure and significant reduction in top management had been planned with the estimates for 2018/19 included. The replacement for the Chief Executive would also be key in driving forward the transformation to deliver the benefits in terms of customer service and efficiencies. The Technology Strategy covered the period from 2018 to 2023 and would help provide a better service to the public whilst improving the efficiency of the Council's working practices.

The waste contract had been procured at a lower cost with the savings being included in the MTFS, although issues with recycling and service delivery had meant that CSB growth of nearly £0.5 million had to be included in the revised estimates for 2016/17, together with £0.2 million of DDF expenditure. There had been discussions held with the service provider to recover the additional £0.5 million of CSB expenditure but no cost savings had yet been provided. The new leisure management contract started on 1 April 2017 with Places for People for a period of 20 years and the average CSB savings would be more than £1 million per year with the CSB savings being phased in over the first four years of the contract.

In addition, there were a number of other issues that needed to be considered which included the general economic cycle, potential for a recession and a possible increase in the annual pay bill of 2% for 2018/19 and 2019/20.

Members were reminded that the MTFS was based on a number of important assumptions, including the following:

- That the future Government funding would reduce as set out in the draft settlement, with Revenue Support Grant turning negative in 2019/20;
- That CSB growth had been restricted with the CSB target for 2018/19 of £12.92 million achieved and known changes beyond 2018/19 had been included but if the new leisure contract failed to yield the predicted savings, other efficiencies would be necessary;

- That it had been assumed that the retail park would be fully let in 2018 and that income would be in line with the consultant's projections;
- That all known DDF items were budgeted for, and because of the size of the Local Plan programme a transfer in of £1 million from the General Fund Reserve would be required in 2017/18 followed by a further £1.1 million in the next two years to ensure funds were available through to the end of 2020/21; and
- That the revenue balances of at least 25% of NBR were maintained.

The forecast showed that the deficit budgets at the end of the period would reduce the closing balances at the end of 2021/22 to £6.27 million or 48% of NBR for 2021/22, although this could only be done with further savings in 2020/21 and subsequent years.

The balance on the HRA at 31 March 2019 was expected to be £2.053 million, after deficits of £1,353,000 in 2017/18 and £0.447 million in 2018/19. The estimates for both years had been compiled on the self-financing basis and so the negative subsidy payments had been replaced with borrowing costs. The requirement to reduce rents by 1% per annum would continue into 2019/20 and during 2017/18 and Members decided to proceed with phases 4 to 6 of the new house building programme and revert to the decent homes standard for the maintenance of existing properties. These significant changes had impacted on the HRA Business Plan and would be kept under review during 2018/19 to determine any further necessary measures. The Capital Programme which totaled over £127 million over five years, anticipated that the Council would still have £2.1 million of capital receipt balances at the end of the period although these were one-four-one amounts and to be used in the house building programme. In order to finance the capital programme it was currently envisaged that £28.4 million of borrowing would be required.

The Cabinet Committee expressed their thanks to B Palmer, P Maddock and all the Officers involved in the Council's budget. There were some significant challenges ahead and development opportunities' would be important to the success of the council's finances.

Recommended:

- (1) That in respect of the Council's General Fund Budgets 2018/19, the following guidelines be adopted:
 - (a) the revised revenue estimates for 2017/18, and the anticipated increase in the General Fund balance by £0.76m;
 - (b) A decrease in the target for the 2018/19 CSB budget from £12.92m to £11.71m (including growth items);
 - (c) an increase in the target for the 2018/19 DDF net spend from £0.93m to £3.87m;
 - (d) no change in the District Council Tax for a Band 'D' property to retain the charge at £148.77;
 - (e) the estimated increase in General Fund balances in 2018/19 of £1.10m;
 - (f) the five year capital programme 2017/18 – 21/22;

- (g) the Medium Term Financial Strategy 2017/18 – 21/22;
 - (h) The Council's policy on General Fund Revenue Balances to remain that they were allowed to fall no lower than 25% of the Net Budget Requirement.
- (2) That the revised revenue estimates for 2017/18 and the 2018/19 HRA budget be recommended for approval;
- (3) That the rent reductions proposed for 2018/19, would give an average overall fall of 1% be noted;
- (4) That the Chief Financial Officer's report to the Council on the robustness of the estimates for the purposes of the Council's 2018/19 budgets and the adequacy of the reserves be noted;
- (5) That the Director of Resources be authorised to make minor amendments and corrections to the figures above.

CHAIRMAN

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Report to the Finance Performance Management Cabinet Committee



Report reference: **FPM-022-2017/18**
Date of meeting: **22 March 2018**

**Epping Forest
District Council**

Portfolio: Governance and Development Management

Subject: Key Performance Indicators – 2017/18 Quarter 3 Performance

Responsible Officer: Monika Chwiedz (01992 564076).

Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) that the Committee reviews Quarter 3 performance for the Key Performance Indicators adopted for 2017/18;**
- (2) that the Committee identifies any Key Performance Indicators for 2017/18, that require in-depth scrutiny or further report on performance**

Executive Summary:

The Council is required to 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 service priorities and key objectives, is adopted each year. Performance against all of the KPIs is reviewed on a quarterly basis.

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 objectives, 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 review and monitor performance could mean that opportunities for improvement are lost and might have negative implications for judgements made about the progress of the Council.

Report:

1. A range of thirty-two (32) Key Performance Indicators (KPI) was adopted for 2017/18 in March 2017.
2. The KPIs are important to the improvement of the Council's services and comprise a

combination of 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.

3. Progress in respect all of the KPIs is reviewed by Management Board and overview and scrutiny at the conclusion of each quarter, and service directors review KPI performance with the relevant portfolio holder(s) on an on-going basis throughout the year. Select Committees are each responsible for the review of quarterly performance against specific KPIs within their areas of responsibility.

Key Performance Indicators 2017/18 – Quarter 3 Performance

4. The position with regard to the achievement of target performance for the KPIs at the end of the third quarter (31 December 2017), was as follows:
 - (a) 25 (78%) indicators achieved third quarter target;
 - (b) 7 (22%) indicators did not achieve third quarter target, although 4 (13%) of KPIs performed within the agreed tolerance for the indicator; and,
 - (c) 25 (78%) indicators are currently anticipated to achieve the cumulative year-end target, 4 (13%) indicators are anticipated not to achieve year-end target and a further 3 (9%) are uncertain whether they will achieve the cumulative year-end target.
5. A headline Q3 KPI performance report for 2017/18 is attached for the consideration of the Committee as Appendix 1 to this agenda. Detailed performance reports in respect of each of the KPIs will be considered by the individual select committees.
6. The 'amber' performance status used in the KPI report identifies those indicators that missed the agreed target for the year, but where performance was within an agreed tolerance or range (+/-). The KPI tolerances were agreed by Management Board when targets for the KPIs were set in March 2017.
7. The Committee is requested to review Q3 performance for the 2017/18 set of KPIs.

Resource Implications: None for this report

Legal and Governance Implications: None for this report; however performance management of key or new high level initiatives is important to the achievement of value for money.

Safer, Cleaner and Greener Implications: None for this report

Consultation Undertaken: The indicators have been considered by Management Board (25 January 2018) and will be considered by the relevant Select Committees during February and March 2018.

Background Papers: KPI submissions are held by the Performance Improvement Unit. Detailed KPI calculations and supporting documentation held by service directorates.

Risk Management: None for this report

Equality Analysis: None for this report

Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: Transformation, Office of the Chief Executive

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team: Not applicable

Title of policy or decision: Key Performance Indicators 2017-18 Quarter 3 Performance report

Officer completing the EqlA: Monika Chwiedz, Performance Improvement Officer Tel: 01992 562076 Email: mchwiedz@eppingforestdc.gov.uk

Date of completing the assessment: 08 March 2018

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project?</p> <p>No. it is an update</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>This is a quarter 3 position for 2017-18, in relation to the achievement of the Council's Key Objectives. There are no equality implications arising from the specific recommendations of this report. Relevant implications arising from individual actions will be identified and considered by the responsible service director.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <p>1. Provide an update 2. That the Cabinet review quarter 3 progress against the Key Action Plan 2017/18 to deliver the Key Objectives for 2015/2020</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities?• other (please list) <p>No</p> <p>Will the policy or decision influence how organisations operate?</p> <p>No</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>No</p>

2.5	Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? No
-----	--

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? Update report, no impact
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? Update report, no impact
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: Update report, no impact

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	None in this category as there are no equality implications arising from the specific recommendations of this report	
Disability		
Gender		
Gender reassignment		
Marriage/civil partnership		
Pregnancy/maternity		
Race		
Religion/belief		
Sexual orientation		

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service: David Bailey

Date:

Signature of person completing the EqlA: Monika Chwiedz

Date: 08/03/2018

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

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Key Performance Indicators 2017/18 – Quarter 3 Performance Report






















Appendix 1

Communities Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
COM001	Rent collected from current and former tenants as a percentage of rent due (excluding rent arrears brought forward).	99%	100.77%	✓	99%	100.38%	✓	99%	100.25%	✓	99%			Yes
COM002	On average, how many days did it take us to re-let a Council property?	37	32	✓	37	33	✓	37	37	✓	37			Yes
COM003	How satisfied were our tenants with the standard of the repairs service they received?	98%	100%	✓	98%	99.56%	✓	98%	99.57%	✓	98%			Yes
COM004	How many households were housed in temporary accommodation?	130	97	✓	130	103	✓	130	90	✓	130			Yes
COM005	What percentage of our council homes were not in a decent condition?	0%	0%	✓	0%	0%	✓	0%	0%	✓	0%			Yes
COM007	What percentage of all emergency repairs are attended to within 4 working hours?	99%	99.01%	✓	99%	99.8%	✓	99%	99.77%	✓	99%			Yes
COM008	What is the average overall time to complete responsive repairs?	7	4.87	✓	7	4.25	✓	7	6.9	✓	7			Yes
COM009	What percentage of appointments for repairs are both made and kept?	98%	99.01%	✓	98%	99.01%	✓	98%	99.1%	✓	98%			Yes
COM010	What percentage of calls to the council's Careline Service are answered	97.5%	99.8%	✓	97.5%	99.8%	✓	97.5%	98.0%	✓	97.5%			Yes

Key Performance Indicators 2017/18 – Quarter 3 Performance Report

Appendix 1

Communities Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
within 60 seconds?														
Governance Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
GOV004	What percentage of major planning applications were processed within 13 weeks or extension of time date?	90%	100%	✓	90%	100%	✓	90%	100%	✓	90%			Yes
GOV005	What percentage of minor planning applications were processed within 8 weeks or extension of time date?	90%	95.73%	✓	90%	93.67%	✓	90%	93.52%	✓	90%			Yes
GOV006	What percentage of other planning applications were processed within 8 weeks or extension of time date?	94%	96.37%	✓	94%	95.44%	✓	94%	95.8%	✓	94%			Yes
GOV007	What percentage of planning applications recommended by planning officers for refusal were overturned and granted permission following an appeal ?	20%	11.76%	✓	20%	12.5%	✓	20%	18%	✓	20%			Yes
GOV008	What percentage of planning applications, refused by Council Members against the recommendation of the planning officers, were granted permission on appeal?	50%	42.86%	✓	50%	68.75%	✗	50%	62.5%	✗	50%			Uncertain

Neighbourhoods Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
NEI001	How much non-recycled waste was collected for every household in the district?	95	105		196	205		296	305		400			No
NEI003	What percentage of our district had unacceptable levels of litter?	8%	10.97%		8%	6%		8%	5.02%		8%			Uncertain
NEI004	What percentage of our district had unacceptable levels of detritus (dust, mud, stones, rotted leaves, glass, plastic etc.)?	10%	4.83%		10%	5.1%		10%	3.72%		10%			Yes
NEI005	What percentage of the issues and complaints received by the Environment & Neighbourhoods Team received an initial response within 3 days?	95.5%	98.19%		95.5%	97.77%		95.5%	97.65%		95.5%			Yes
NEI006	What percentage of the recorded incidences of fly-tipping are investigated within 3 working days of being recorded?	90%	98.72%		90%	98.5%		90%	96.89%		90%			Yes
NEI007	What percentage of recorded incidences of fly-tipping (contract cleared) are removed within 5 working days of being recorded?	90%	92.77%		90%	93.99%		90%	93.09%		90%			Yes
NEI008	What percentage of the recorded incidences of fly-tipping (variation order/non contract) are removed	90%	94.74%		90%	93.76%		90%	92.49%		90%			Yes

Neighbourhoods Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
	within 10 working days of being recorded?													
NEI009	What percentage of out of hours (OOH) noise complaints are responded to within 15 minutes?	90%	90.4%	✓	90%	92.28%	✓	90%	91.8%	✓	90%			Yes
NEI011	What percentage of the rent we were due to be paid for our commercial premises was not paid?	2%	1.51%	✓	2%	1.31%	✓	2%	1.82%	✓	2%			Yes
NEI012	What percentage of our commercial premises were let to tenants?	98%	98.9%	✓	98%	98.9%	✓	98%	97.45%	⚠	98%			Yes
NEI013	What percentage of all household waste was sent to be recycled or reuse?	26%	23.75%	✗	26%	23.74%	✗	26%	23.38%	✗	26%			No
NEI014	What percentage of all household waste was sent to be composted or anerobic digestion.?	33%	35.81%	✓	33%	36.12%	✓	33%	34.39%	✓	33%			Yes
Resources Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
RES001	How many working days did we lose due to sickness absence?	1.62	1.71	⚠	3.22	4.07	✗	5.43	6.27	✗	7.25			No
RES002	What percentage of the invoices we received were paid within 30 days?	97%	96%	✗	97%	96%	✗	97%	97%	✓	97%			No
RES003	What percentage of the district's annual Council Tax was collected?	27.55%	27.64%	✓	52.54%	52.52%	⚠	77.84%	77.74%	⚠	97.8%			Yes

Resources Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
RES004	What percentage of the district's annual business rates was collected?	28.84%	29.25%	✓	53.28%	53.97%	✓	78.06%	78.19%	✓	97.8%			Yes
RES005	On average, how many days did it take us to process new benefit claims?	21	22.31	⚠	21	21.82	⚠	21	21.1	⚠	21			Uncertain
RES006	On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?	9	7.55	✓	9	7.44	✓	9	7.35	✓	6			Yes

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Report to the Finance and Performance Management Cabinet Committee

Report reference: FPM-023-2017/18

Date of meeting: 22 March 2018



**Epping Forest
District Council**

Portfolio: Finance

Subject: Quarterly Financial Monitoring

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

Democratic Services Officer: Rebecca Perrin (01992 – 56 4532)

Recommendations/Decisions Required:

That the Committee note the revenue and capital financial monitoring report for the third quarter of 2017/18;

Executive Summary

The report provides a comparison between the revised estimate for the period ended 31 December 2017 and the actual expenditure or income as applicable.

Reasons for proposed decision

To note the third quarter financial monitoring report for 2017/18.

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 third quarterly report for 2017/18 and covers the period from 1 April 2017 to 31 December 2017. 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.
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 £233,000 or 1.4%. At the end of the third quarter last year the underspend was 0.9%.
4. Resources is showing the largest underspend of £123,000, this relates mainly to Housing Benefits, Facilities Management and Revenues. Neighbourhoods shows an underspend of £52,000 but it has been assumed that money from the Local Plan DDF budget will be

required to prevent the salaries budget from becoming overspent. Other directorates are showing an underspend of around £20,000 each.

5. The investment interest is broadly in line with the revised position. Surplus cash balances are being held short term as it is possible that some borrowing will be required next financial year as a result interest earnings are noticeably lower than the prior year.
6. Development Control income at Month 9 is down on expectations. Fees and charges were £42,000 lower than the budget to date and pre-application charges and other income are £4,000 above expectations. Increases to Development Control fees can only be set by central government and indeed from 17th January a general increase of 20% was brought in. It is therefore expected that the lower budget of £977,000 will be met.
7. Building Control income was revised upwards from £450,000 to £530,000 and indications suggest that this might now be exceeded as income is £28,000 higher than the budgeted figure at the end of the third quarter. The ring-fenced account had assumed a deficit of £129,000 for this year due to the amount of scanning work required, however this was revised to a small surplus of £6,000 which also now looks likely to be exceeded.
8. Although Public Hire licence income and other licensing is above expectations, the Public Hire figures shown include some income relating to 2018/19 so actual income is close to expectations.
9. Income from MOT's carried out by Fleet Operations was left unchanged when the budget was revised and at the moment is showing a slightly better position than the budget. The account will still show a deficit in 2017/18 but it is possible that this will be lower than expected.
10. Car Parking income is on track with the revised estimate at month 9, some additional spaces are being provided at Oakwood Hill and Vere Road though there has been a delay in these becoming operational and the budget has been adjusted accordingly.
11. The shopping park is included as the first units are now due to pay rent. Income in 2017/18 will be around £200,000 lower than expected as some units were let later than expected and tenants had not been identified for all units when the budget was set. Having said that there is additional income from Industrial Estates and Commercial lets which should mitigate this to some extent. There is also some additional expenditure mainly related to empty property rates. Once all units are occupied and rent free periods passed rental income is still expected to be around £2.5 million per annum.
12. Local Land Charge income is £3,000 below expectations. The budget was increased from that in the original estimate as income had improved particularly in quarter 2. It does look as if the outturn will be close to expectations.
13. Expenditure and income relating to Bed and Breakfast placements has been on the increase. Most are eligible for Housing Benefit and although some will be re-imbursed by the Department for Work and Pensions it is only around 50%, leaving a similar amount to be funded from the General Fund. After a period where placements had levelled off caseload has again started to increase and expenditure is exceeding expectations. Staff in the Communities directorate are keeping such placements to an absolute minimum and use of the Zinc arts and other similar schemes should help keep expenditure down.
14. The waste and leisure management contract are both pretty much on track.
15. The Housing Repairs Fund shows an underspend of £65,000. There are underspends showing on both Planned Maintenance and Responsive work. There is also a variance on HRA Special Services which relate mainly to tree maintenance and utility costs. Some underspend here looks likely.

16. Income from Building Control, Land Charges, Car Parking and maybe MOT Income look likely to exceed the budget. Others are less certain. Development Control is more significantly lower but may be being affected by the impending publication of the Local Plan.

Business Rates

17. This is the sixth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council. There are proposals that all Business Rates be retained within the local government sector though this actually happening is unlikely to be before the year 2020/21. In any event the proportions retained by each local government tier is likely to change and if additional resources are made available they will no doubt be accompanied by additional responsibilities.
18. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash.
19. The resources available from Business Rates for funding purposes is set in the January preceding the financial year in question. Once these estimates are set the funding available for the year is fixed. Any variation arising from changes to the rating list or provision for appeals, whilst affecting funding do not do so until future years. For 2017/18 the funding retained by the authority after allowing for the Collection Fund deficit from 2016/17 is £3,499,000. This exceeded the government baseline of £3,110,000 by some £389,000. The actual position for 2017/18 will not be determined until May 2018.
20. 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 December the total collected was £25,775,272 and payments out were £25,788,005, meaning the Council had paid out £12,733 more cash than it had received. This has been affected by the appeals that have been settled in recent months but represents a fraction of 1% when compared to the amounts collected overall.

Capital Budgets (Annex 7 - 11)

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the nine months to 31 December. There is a commentary on each item highlighting the scheme progress.
22. The full year budget for comparison purposes is the Revised Budget which was agreed during December 2017.

Major Capital Schemes (Annex 12)

23. There are four projects included on the Major Capital Schemes schedule these relate to the House Building packages 1, 2 and 3 and The Epping Forest Shopping Park. Annex 12 gives more detail. The variance reported is a comparison between the anticipated outturn and approved budget.

Conclusion

24. With regard to revenue, Building Control income is going well though Development control income is down currently. Other income streams are either slightly below or above expectations but not significantly and expenditure is below budget which is often the case at this stage in the year.

25. The Committee is asked to note the position on both revenue and capital budgets as at Month 9.

Consultations Undertaken

This report was presented to the Resources Select Committee on 14th March and any comments or observations from that Committee will be reported verbally.

Resource Implications

There is little evidence to suggest that the net budget will not be met. The variances that were expected have been included in the revised budget.

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.

Date / Name	Summary of equality analysis
16/02/18 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.

DECEMBER 2017 - SALARIES

<u>DIRECTORATE</u>	<u>2017/18</u>			<u>2016/17</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>31/12/2017</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 31/12/16</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>(REVISED)</u>	<u>(REVISED)</u>		<u>(REVISED)</u>	<u>(REVISED)</u>
		<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	429	449	-4.5	232	232	0.0
RESOURCES *	4,321	4,444	-2.8	4,132	4,191	-1.4
GOVERNANCE *	2,728	2,746	-0.7	2,741	2,765	-0.9
NEIGHBOURHOODS *	3,180	3,232	-1.6	3,241	3,305	-1.9
COMMUNITIES *	5,858	5,878	-0.3	5,611	5,612	0.0
TOTAL	16,516	16,749	-1.4	15,957	16,105	-0.9

* Agency costs are included in the salaries expenditure.

Neighbourhoods revised budget provision assumes £260,000 of Salary/Agency expenditure will be funded from the Local Plan DDF.

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	121	90	88	102	-2	-2	There are no major variances.
Bed & Breakfast Accommodation	271	203	282	252	79	39	After a period where bed and breakfast placements had levelled out caseload has again started to increase. As a result, expenditure in the third quarter is higher than expected but rental income has also risen during the same period, as seen below.
Disabled Facility Grants	694	390	392	463	2	1	The Council has a legal duty to provide Disabled Facility Grants to all residents who meet the eligibility criteria. These grants are used for disabled adaptation works such as stair lifts, disabled entry solutions and bathroom renovations and will be fully funded by the Better Care Fund. There are no major variances in quarter three.
Grants to Voluntary Groups	88	33	31	31	-2	-6	There are no major variances.
Voluntary Sector Support	174	150	150	170	0	0	There are no variances in the current year. In the prior year the second instalment to VAEF was paid in December but in 2017/18 the payment was made in January.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	280	252	263	250	11	4	Rents are higher than expected due to the increased caseload.
	1,628	1,118	1,206	1,268			

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual			Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000		%	
Major income items								
Development Control	977	741	703	882	-38		-5	2017/18 has seen reduced levels of fee income compared to the previous year. This is possibly because major developers are awaiting the publication of the Local Plan prior to submitting any planning applications within the district. It is worth noting that from mid-January 2018 the government has allowed Local authorities to increase fees by 20 percent which has been reflected in the current budgets.
Building Control Fee Earning	530	403	431	365	28		7	The income received has exceeded both the budget to date and the previous year's actual. The generation of income has been steadily improving over the recent years due to uncertainty in the housing market. The trend in the Building Control fee has continued into quarter three which leads to indicate that the full year budget may well be exceeded.
Local Land Charges	174	133	130	126	-3		-2	2017/18 has seen a minor improvement in the level of fee income compared to the previous year which has been reflected in the current year budgets. The actual at quarter three is just below target with the budget.
	1,681	1,277	1,264	1,373				

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
Major expenditure items:							
Refuse Collection	1,379	807	797	796	-10	-1	} No major variances.
Street Cleansing	1,318	790	797	795	7	1	
Recycling	2,835	1,585	1,568	1,543	-17	-1	No major variances.
Highways General Fund	112	97	57	27	-40	-41	The level of replacement of street furniture and litter bins is hard to predict and hence causes timing differences on expenditure. The variance between years is due to match funding of the Highways panel (See Cabinet report C-071-2016/17).
Off Street Parking	464	346	312	388	-34	-10	Maintenance items are showing savings a substantial amount of the repairs budget is spent in the fourth quarter.
North Weald Centre	238	167	150	142	-17	-10	Due to the nature of maintenance costs the budget is phased into 12 equal amounts, however expenditure tends to be heavier in quarter four.
Land Drainage & Contaminated Land	98	85	45	44	-40	-47	This is a maintenance driven budget and has a volatile pattern of spend. Generally expenditure is heavier in the winter months though a small underspend now looks likely.
	6,444	3,877	3,725	3,734			

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning/Local Plan	1,259	397	394	777	-3	-1	As the investigative and evidence gathering part of the Local Plan is nearing completion a majority of the spend is scheduled in the final quarter when the plan is due to be submitted to the inspectorate late March 2018.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-138	-104	-105	-128	-1	1	As the new leisure contract is paid via Direct Debit no variances will arise in year. The variance between years is indicative of the saving being generated in the contract in the first year.
Epping Sports Centre	234	156	156	212	0	0	
Waltham Abbey Pool	16	12	18	349	6	50	
Ongar Sports Centre	98	65	65	201	0	0	
	210	129	134	634			

DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual		<u>Comments</u>
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major income items:</u>							
Refuse Collection	80	60	59	53	-1	-2	No major variances. This relates to bulk waste collections and collections have increased on last year.
Recycling	1,426	742	732	646	-10	-1	There is a variance between years due to the Avoided Disposal Cost being applied sooner in 2017/18 compared to the previous year.
Off Street Parking	1,367	988	982	924	-6	-1	Income is higher in 2017/18 mainly due to pay and display being £70,000 higher. This could be due to more proactive monitoring by the contractor.
North Weald Centre	914	796	805	695	9	1	little in-year variance. Variance between years arises due to increases in Market and Casual rents.
Hackney Carriages	176	132	133	138	1	1	No major variances
Licensing & Registrations	110	82	100	89	18	22	Income appears up on expectations but there is likely to be some income that relates to 2018/19 in the current year actual.
Fleet Operations MOTs	220	165	163	129	-2	-1	There has been a marked increase in the number of MOT's carried out over the previous year, also an increase in the value of additional works carried out on the fleet.
	4,293	2,965	2,974	2,674			

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual			Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000		%	
Major income items:								
Industrial Estates	1,600	1,457	1,648	1,196	192		13	A number of leases have had favourable rent reviews this year across all estates.
Business Premises - Shops	2,223	2,223	2,222	2,169	-1		0	No in-year variance. The variance between years is due to increases from rent reviews.
Epping Forest Shopping Park	490	121	115	N/A	-6		-5	No major variances.
Land & Property	215	214	201	305	-13		-6	The in-year variance is due to lower than expected top-up of the former lease turnover amount due. A variance arises between years due to a premium obtained for the renewal of the lease in December 2016.
	4,529	4,014	4,187	3,670				

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	508	238	207	232	-31	-13	Expenditure fluctuates year on year due to Building Maintenance works being determined on a rolling five year programme which identifies and prioritises the works required to the non-office assets. 2017/18 has seen a reduction in the budget and actual than previous year due to some planned maintenance works placed on hold pending the outcome of the next stage of the accommodation review as part of the transformation programme. Expenditure totalling £29,500 is committed to work which will be completed in the fourth quarter enabling the work programme for the year to be accomplished.
Information & Communication Technology	1,102	998	968	892	-30	-3	The full year budget includes the cost of the councils Multi-Function Devices, Network Telephone & Mobiles, provision of the Service Desk and maintenance for all Systems in use. Expenditure in 2017/18 is higher than the comparative actual due to the yearly incremental costs relating to the renewal of maintenance contracts for the Councils systems. Although at quarter three the expenditure is lower than the profiled budget, it is expected that this will be spent in the last quarter of the year for ongoing system projects within the Council.
Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates)	289	215	211	204	-4	-2	2017/18 has seen an increase in the number of homeless people placed in Bed and Breakfast accommodation compared to the previous year. The actual at quarter three is in line with the profiled budget but there has been an increase in placements recently.
Bank & Audit Charges	118	69	69	49	0	0	The expenditure in quarter three is on target with the budget to date. The increase in expenditure compared to the prior year is the result of a timing difference in the billing for the Audit fee.
	2,017	1,520	1,455	1,377			
<u>Major income items:</u>							
Investment Income	205	171	168	279	-3	-2	The in year variance is in line with expectations. The variance between years is due to lower investment balances, and shorter terms for investing due to the requirement to have liquidity of funds available at short notice to cover the on-going Capital Programme.
	205	171	168	279			

	17/18 Full Year Budget £'000	Third Quarter			17/18 Variance Budget v Actual		<u>Comments</u>
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	297	188	162	192	-26	-14	Expenditure is lower than expected in the first three quarters of 2017/18 due to less spend on new equipment for new housing system and consultant fees within the Policy & Management budget than originally anticipated.
Housing Repairs	5,976	2,236	2,171	2,640	-65	-3	This underspend relates to expenditure on planned maintenance (£28,000), responsive repairs (£16,000) and engineering maintenance (16,000). With regard to responsive repair works, it is always difficult to forecast when they will arise due to the demand-led nature of the works. Having said that, expenditure is generally higher during the winter months.
Special Services	1,098	638	553	670	-85	-13	The underspend in this section relates to utility costs and tree felling.
	7,371	3,062	2,886	3,502			
<u>Major income items:</u>							
Non-Dwelling Rents	852	642	637	650	-5	-1	No major variances.
Gross Dwelling Rent	31,536	23,652	23,649	24,456	-3	0	No major variances. The year on year variance relates to the 1% government led rent decrease.
	32,388	24,294	24,286	25,106			

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**2017/18 DIRECTORATE CAPITAL MONITORING -
COMMUNITIES**

Scheme	17/18	Third Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
CCTV Systems	45	34	35	1	3	The overall CCTV scheme has progressed well with key installations of systems at Limes Farm (Quarter 1) and Bobbingworth Tip (Quarter 2). The installation of replacement cameras around the Civic offices and a new system to cover the ICT suite has commenced; however, due to unexpected electrical works, the schemes projected commissioning date has been delayed to the end of February. The car park CCTV installation programme has been working in conjunction with the "Invest to Save" LED lighting scheme (see Annex 8) with three car parks in Waltham Abbey identified for installations in 2017/18. The installations at Cornmill and Darby Drive have been commissioned within quarter 3 and are currently awaiting final invoices; whilst the installation at Quaker Drive is expected to be completed in early March. The off-street parking schemes undertaken on Council owned land is jointly funded between the HRA and General Fund. The General Fund proportion of costs will be allocated at year-end. Due to complications outlined in Annex 10 the 2017/18 budgets were revised as part of the Capital Review.
Carpark CCTV Systems	74	56	8	-48	-86	
Housing Estate Parking	40	0	0	0	0	
Total	159	90	43			

**2017/18 DIRECTORATE CAPITAL MONITORING -
NEIGHBOURHOODS**

Scheme	17/18	Third Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park	6,265	6,265	4,701	-1,564	-25	Please see major scheme tab for details on this scheme. This budget refers to the construction works.
Glyn Hopkin Expansion	1,042	1,042	1,042	0	0	As previously reported Glyn Hopkin Ltd (GHL) expressed a desire to surrender their existing lease and obtain a new lease of the whole area of their premises demised by the existing lease which would permit full motor dealership use. A supplementary budget was agreed in the latest Capital Review to retrospectively cover costs of £52,000 relating to legal fees & stamp duty fees which were funded by EFDC after the original Cabinet report was submitted, but were not identified in the original structure of the lease.
Town Mead Depot	15	11	7	-4	-38	The supplementary provision of £100,000 has been made within the Council's Capital Programme to undertake the necessary alteration works to accommodate the Pyrles Lane Nursery and Landscape Service at the Townmead Depot at Waltham Abbey. A further £45,000 was absorbed from Facilities Management, as part of the Capital Review, to undertake the remaining health and safety adaptations following the audit of the Depot (see Annex 9). A large part of the budget was carried forward due to the project being in the early stages of design and consultancy.
Total c/f	7,393	7,372	5,757			

**2017/18 DIRECTORATE CAPITAL MONITORING -
NEIGHBOURHOODS**

Total b/f	7,393	7,372	5,757			
Car Park Schemes	71	53	7	-46	-87	After the changes highlighted in the Capital Review, the car park schemes have reduced from five schemes to four. 1) The installation of new 4G pay and display machines in each of the Council's car parks was completed in the second quarter. 2) Although the Council have purchased the new pay and display machines for the car park in Oakwood Hill, there have been significant delays to this scheme due to land ownership disputes. Solicitors are currently involved over the dispute and a boundary fence will be constructed on the conclusion of the findings. 3) After a change from the original specification of works, Members agreed to increase the budget for the installation of LED lighting around the Council's car parks. This increase was compensated from underspends and savings identified in other car parks schemes as part of the Capital Review in December 2017. After the successful pilot scheme at Trapps Hill, the installations at Darby Drive and Cornmill were completed in quarter 3 with the installation at Quaker Lane anticipated to start before the end of the financial year. 4) The consultancy team appointed to advise the Council on the demolition of garages and design of the Vere Road car park have identified potential additional costs to the scheme. During the survey and design phase, an additional nine parking bays outside the original specification, as well as a potential asbestos warnings with the demolition of the garages, have been highlighted and expected to increase the cost of the scheme. There is currently no reliable estimate of how much these additional works will cost, however a report will follow the procurement process if the costs exceed the current allocation. The demolition of the garages and other works will slip into the next financial year.
Other Schemes	78	60	25	-35	-58	There are 4 schemes within this section. 1) The waste management equipment budget is earmarked for waste and recycling bins provided to new properties around the district and will be recharged at the end of the financial year. 2) The Ground Maintenance vehicle replacement scheme has received delivery of a new mower. As part of the Capital Review, members agreed to bring forward an allocation of £10,000 from the 2018/19 budget to procure a new truck before the end of the financial year. In addition to this, Members also agreed to increase the Grounds Maintenance budget to procure six new ride-on mowers to replace the current fleet. These mowers have now been ordered and are expected to be delivered in the new financial year. 3) Flood alleviation works to replace the failing CCTV systems at the old Bobbingworth Tip has been completed (see Annex 7). An additional allocation of £13,000 was approved after unexpected failures to the main control unit and pumps at Bobbingworth Tip occurred, with the majority of these works falling into the next financial year. The Flood Alleviation team are currently evaluating the potential risks for flood risk assets before submitting a new report to secure future capital funding.
Total	7,542	7,485	5,789			

**2017/18 DIRECTORATE CAPITAL MONITORING -
RESOURCES**

Scheme	17/18	Third Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Transformation Projects	120	45	45	0	0	The Accommodation Review has now reached the detailed feasibility stage and a budget of £120,000 has been re-allocated from the Bridgeman House budget to cover these costs. The interim invoice has been paid for within quarter 3 with the remainder to be paid before the end of the financial year.
Active Planned Maintenance Projects	220	165	32	-133	-81	This section includes works on buildings that do not fall under the scope of the Accommodation Review. There has still been limited spend in year due to a combination of delays to projects previously within the scope of the Accommodation Review, projects currently awaiting results of planning applications , or projects being in design stages. The fencing works at Town Mead Depot are nearing completion, with a small segment of the wall needing to be strengthened before the last part of the fencing can be installed. The installation works for the Council's fire detection equipment are expected to start imminently after quotes were received by the Council as part of the procurement process. The removal of asbestos that delayed the re-roofing and chimney works at the Waltham Abbey Museum was completed over the Christmas period, whilst the North Weald Gatehouse window replacement scheme is currently out to tender after the framework was agreed. The works for both of these schemes will slip into the next financial year. The facility management team are still facing delays to start the replacement of overlay on felt roofs at the Broadway shop units as tenants are refusing to allow access to the units. Similarly, there are delays facing the upgrade of trend building services that will allow remote control of heating at careline properties.
ICT General Schemes	158	119	143	24	20	The ICT schemes have now been split to show meaningful management information of the two categories within the ICT section; the ICT strategy implementation as part of the transformation process and the continuing general ICT schemes. The general ICT schemes are currently ahead of schedule. The replacement of the Council's corporate main firewalls and IGELs schemes have been completed as expected, whilst the new cash receipting system and Northgate Aspire mobile working modules are expected to be completed before the end of the financial year.
ICT Strategy Implementation	156	117	98	-19	-16	Although the budget agreed for the ICT strategy implementation has been profiled for the 2018/19 financial year, there were other projects within the original ICT programme that has been adopted under the scope of the strategy implementation. Many of these schemes were completed in quarter 1 and 2 including the OHMS upgrade, licencing for Blackberry "Good" application and the replacement of the reverse proxy. Works have continued to progress within quarter 3 on the outstanding projects.
HR / Payroll System	20	15	5	-10	-66	This budget is a continuation of the 2016/17 budget for the implementation of the Human Resources/Payroll system. Works to scope and build the Human Resources system, including the Employee/Manager Self-Service, health and safety, recruitment and learning elements were rolled out at the beginning of the financial year; the invoices are currently awaiting payment.
Total	674	461	323			

**2017/18 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	17/18	Third Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Housebuild Phase 1	1,724	1,293	1,405	112	9	Please see major scheme tab for details on this scheme.
Housebuild Phase 2	5,358	4,018	2,571	-1,447	-36	Please see major scheme tab for details on this scheme.
Housebuild Phase 3	4,530	3,397	2,746	-652	-19	Please see major scheme tab for details on this scheme.
Other Housebuilding	1,171	878	648	-230	-26	The budgets for the Housebuilding Phases 4 to 6 have been approved as part of the Capital Review after the moratorium was lifted on these phases. Planning permission has been granted for 24 sites, which when developed will deliver 92 new homes. Two sites are yet to be granted planning permission, which if approved will deliver a further 18 homes. This leaves 13 sites where planning permission has been refused or the application was withdrawn. 3 sites have been approved for sale on the open market (Hillyfields and Pyrles Lane Sites A and B) and the capital receipts will be used to fund the house-building programme. The Council House-building Cabinet Committee has yet to decide on what they want to do with the remaining 10 sites. The Barnfield development, where hand-over of the 8 affordable rented houses built as part of a S106 development by Linden Homes, has been delayed from December 2017 to the end of February 2018 after snagging issues were identified.
Housing Conversions	74	56	59	3	6	The conversions at Marden Close and Faversham Hall were completed in 2015/16. The final account is currently being negotiated and is expected to be in the region of £92,000.
Oakwood Hill Depot Extension	5	4	7	3	89	The planning application is currently being prepared for the parking strategy at the Oakwood Hill Depot after the parking study was received in quarter 3. This application is anticipated to be submitted in early March with a 12 week wait for the decision. The rest of works are expected to slip into the new financial year on the condition that the planning application is approved.
Policy Change						Member's approved the change of policy from a modern home standard to decent home standard starting in the financial year 2017/18. Estimates from December's revised Capital Review show a transitional decrease in capital expenditure to the HRA Stock of £1.6million in 2017/18, £1.7 million in 2018/19, and £1.9 million in each of 2019/20, 2020/21, 2021/22 financial years.
Heating and Rewiring	2,887	2,165	2,001	-164	-8	A combination of reductions made in the Capital Review and the progress of several high expenditure schemes in quarter 3 has lead to the heating and rewiring category now only showing a minor variance at month 9. All the planned gas heating installations at the sheltered schemes have been completed, whilst the rewiring and communal water tank installations around the Council's properties is progressing well. The Council has commissioned a new fire risk assessment to coincide with their rewiring works scheme in light of the Grenfell Tower events in 2017. This scheme has been accelerated with electrical tests being carried out on electrics when accessing a tenant's property. The Mechanical Ventilation Heat Recover (MVHR) systems are still not attracting any demand with only minor repairs (through revenue budgets) being commissioned; it is likely this budget will stay unspent by the end of the financial year.
Disabled Adaptations	450	338	451	114	34	The two main disabled adaptations works have now been completed at Valley Hill and St. Andrews with the general adaptations continuing ahead of schedule. The full year budget is completely spent at the end of quarter 3 and is expected to be overspent with additional works continuing throughout quarter 4. This overspend will be brought forward from the schemes' 2018/19 budget.
Kitchen & Bathrooms	2,380	1,785	1,446	-339	-19	The kitchen and bathroom category identified £300,000 of savings in 2017/18 as part of the Capital Review due to the policy change agreed by members. The planned maintenance schedule for both schemes is on target to be completed by the end of the financial year depending on resolutions being made with tenants being in arrears or not allowing access to the property.
Total c/f	18,578	13,934	11,334			

**2017/18 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	17/18	Third Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	18,578	13,934	11,334			
Windows, Doors and Roofing	2,194	1,646	1,802	157	10	Fire safety has been highlighted due to recent events at Grenfell Tower with EFDC actively pursuing options with leaseholders to assess and upgrade fire doors within properties around the district. The door replacement schemes within this category are currently ahead of schedule. Due to continued problems, the double-glazing contractor has been notified that the contract will not be renewed after the current phase of installations is completed with a significant part of the budget being carried forward into 2018/19 as part of the Capital Review. The tiled roofing scheme is continuing to progress well, whilst it is expected that the flat roof programme will be overspent at the end of the financial year due to adverse weather conditions damaging the roof at Hornbeam Close; the Council is currently proceeding with recovery efforts through the insurance company.
Other Planned Maintenance	186	140	38	-102	-73	This category includes Norway House improvements, door entry system installations and energy efficiency works. Works to the Norway House chalets and outbuildings to install fire escapes are expected to start before the end of the financial year. The door entry systems continue to show the largest underspend of the category due to issues with tenants not allowing access to the properties or rejecting works. However, an agreement has been made with tenants at the Hill House estate for a new door entry system with works expecting to start in quarter 4.
Garages & Environment Works	336	252	122	-130	-52	After considerable delays to the construction of the off-street parking areas at Torrington Drive and Paley Drive, including the main contractor going out of business, there has been significant progress with the schemes in quarter 3. The scheme at Torrington Drive will be completed after final account and landscaping works are finalised, with the majority of Paley Drive works slipping into 2018/19. The estates environmental works are currently behind due to staff capacity issues with only a small portion of works expected to be completed by the end of the year. The installation of the Limes Farm Yellow Block CCTV system has been completed ahead of schedule in addition to the replacement cameras have been installed on all Careline properties where the cameras have come to the end of life.
Structual Schemes	1,573	1,180	1,045	-134	-11	Although the budgets for the structural works scheme were increased during the Capital Review, there is still a 26% overspend on the year to date on this budget at quarter three. This category has been reporting considerable overspends due to the HRA stock being relatively old, with works to cracks in plaster and walls becoming a big issue. The start on site date for the installation of the lifts at Lime Farm has now been revised to the beginning of April 2018 with only consultants and designs fees to be expensed in the current financial year. The expected completion date for the installations is forecasted for the 20th March 2019.
Other Repairs & Maintenance	235	176	161	-15	-9	With the reduced capital works being undertaken there is a lower demand for asbestos removal works. Feasibility studies have been identified including relocating staff and the workshop from the Epping Depot to the Oakwood Hill Depot.
Service Enhancements	74	56	36	-20	-36	The front door replacement programme for leaseholders is facing the same urgency as the replacement door programmes in the other categories due to fire safety and regulatory issues. However, unlike the above programmes, the leaseholders own 50% of the doors and therefore the Council cannot touch the doors without the leaseholder's permission; large discounts and other options to aid co-operation have been explored which has led to the replacements starting to pick up. The new Smart Store IT system for the repairs service has been implemented as has the new OHMS rent system upgrade. There is potential for a new mobility scooter stores to be constructed at Norway House before the end of March from remaining monies available.
Replacement Housing Vehicles	158	119	121	3	3	A total of 7 vans have been delivered to replace an ageing fleet with another 3 being identified for delivery before the end of the financial year. One of the housing repairs vehicles was stolen at the end of quarter two and will be replaced in 2018/19; the Council is currently proceeding with recovery efforts through the insurance company.
Work On Hra Leasehold Prop	-300	0	0	0	0	This credit budget allows for work undertaken within the above categories on sold Council flats. Once identified, an adjustment will be made at the end of the year.
Total	4,456	3,567	3,325			

**2017/18 DIRECTORATE CAPITAL MONITORING -
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS) AND CAPITAL LOANS**

REFCuS Scheme	17/18	Third Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park	3,192	3,192	2,852	-340	-11	Please see major scheme tab for details on this scheme. This budget refers to the S278 works. After designs were completed and advertised at the end of 2016/17 by North Essex Parking Partnership, Phase 1 of the Loughton Parking review went live in August. Phase 1 consists of 14 on-street parking schemes located around Loughton including Oakwood Hill, Rectory Lane and Langston Road. A meeting to discuss the designs and potential locations around Debden Station for Phase 2 was held in early quarter 3. Costs in 2017/18 will consist of further public consultation, design and advertising with the rest of the works slipping into the next financial year.
Parking & Traffic Schemes	30	23	0	-23	-100	
Total	3,222	3,214	2,852			

<u>Capital Loan Scheme</u>	17/18	Third Quarter		17/18 Variance			<u>Comments</u>
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual			
	£'000	£'000	£'000	£'000		%	
	Private Sector Housing Loans	150	113	46	-67		
Total	150	113	46				This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. Up to the end of quarter 3, £46,000 has been spent with an additional £58,000 approved cases where works are either on site or to go on site and be completed.

**2017/18 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES**

HOUSE BUILDING PHASE 1									
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Revised Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100
Apr-14	Jun-15	Oct-14	Nov-17	3,948	2,456	6,404	5,978	6,404	0%

Work started on phase 1 of the Council's Housebuilding Programme in October 2014 to construct 23 new homes for rent. This included 14 houses and 9 flats on four different sites in Waltham Abbey. However, the works did not progress in line with the original contract period, which had a completion date of 13 November 2015. A certificate of non-completion was served on the contractor Broadway Construction Ltd, and liquidated and ascertained damages were deducted from each payment at a rate of around £10,200 per week thereafter. These damages were set to reflect the loss of rent for the properties and the cost of employing consultants to continue to manage the contract.

On 1 June 2016, with approximately two-thirds of the value of works completed, the Council terminated the contract with Broadway Construction Ltd (BCL) as they were not regularly and diligently progressing with the works. In September, the Council House-building Cabinet Committee agreed the appointment of P A Finlay & Co Ltd for the recovery phase of the construction works at Phase 1 in the negotiated contract sum of £2,674,335. At the time, an additional contingency sum of £267,400 was included in the budget to allow for any unforeseen works.

In March 2017, the Council and BCL concluded an adjudication involving a dispute regarding the sum of £74,494.02 withheld by the Council under the terms of the contract. The adjudicator found in favour of the Council on three of the four points. However, on the fourth he found in favour of BCL, namely that the Council was not entitled to serve more than one pay less notice in relation to a payment notice. As a consequence, the Council had to pay over to BCL the sum of £74,494.02 plus interest amounting to £2,986.

The Council has now taken possession of all 23 properties with the final 2 homes at the Red Cross B site being handed over in November. The final account for the recovery works undertaken by P A Finlay & Co Ltd is anticipated to be £3,423,888, which is unchanged from the figure previously reported. This sum represents an increase of 16% above the original budget estimate due to unforeseen ground contamination remediation works, drainage alterations, brickwork and window remediation, additional retaining structure and alterations required to the balconies. The total anticipated outturn figure for Phase 1, including all construction costs, fees and site security costs, was increased to £6,404,000 in the quarter 1 report. No changes have been made to this estimate at present although the Council's development agent, East Thames has served notice in accordance with the contract to end the relationship, following a merger with London & Quadrant, and a 6-month hand-over period has been agreed to allow the Council to put in place alternative contractual arrangements. The approved budget has been amended as part of the Capital Review. As shown above, actual expenditure incurred to 31 December 2017 was £5,978,000 which includes outstanding retentions of £27,000.

On the 22nd November 2017 the Council received a notice of adjudication, which was referred by Broadway Ltd (BCL). The dispute concerned the termination of the contract by the Council on the 1st June BCL maintained and claimed that the termination was wrongful and constituted a repudiatory breach of contract. In April 2016, the Council served a default notice on BCL claiming that BCL was not proceeding with the contract works regularly and diligently. Later on 1 June terminated the Contract on the ground that BCL had continued with the default specified in its notice served in April 2016. BCL asserted that this is contrary to the true facts and progress of the works on the Project, and that they did not accept the validity of the default notice or the termination of the Contract. BCL were seeking the following relief and decision from the Adjudicator:

- That the Council wrongfully terminated the Contract;
- That the Council was liable for repudiatory breach of contract;
- That the Council was liable to pay Broadway the costs, damages and expenses that are proven to have been incurred by Broadway as a result of the wrongful termination of the Contract and repudiatory breach of contract;
- That the Council had no entitlement to retain or withhold liquidated damages improperly withheld prior to and following the termination of the Contract because no demand for payment of liquidated damages had been made in accordance with the Contract; and
- That the Council should pay the Adjudicator's costs and expenses incurred in this adjudication.

The Council appointed Trowers and Hamlin as its expert Solicitors to defend the adjudication. The Adjudicator, in his hearing of the 2nd February 2018, found in favour of EFDC and advised BCL that EFDC were within their rights to terminate the contract and are now able to pursue BCL for costs relating to the works undertaken to complete the works by P.A.Finlay. The expectation is that BCL will be unable to pay these costs with EFDC likely to have to rely on the performance bond taken out by BCL in advance of the contract.

**2017/18 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES**

HOUSE BUILDING PHASE 2										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Revised Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100	Approved Budget Unspent to Date £'000 (C-D)
Feb-16	Mar-18	Mar-16	Sep-18	9,110	2,465	11,575	5,465	11,575	0%	6,110
Phase 2 of the Housebuilding Programme achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. The Contract was awarded to Mullalley & Co Ltd following a competitive tendering exercise in November 2015 in line with the Council's Contract Standing Orders based on price and quality. Interviews were also undertaken as part of this evaluation, attended by the Housing Portfolio Holder. The contract commenced in March 2016 in the adjusted tender sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks. This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector. The pre-tender forecast figure of £9,110,000 in the table above includes fees and other costs.										
Mullalley & Co Ltd took possession of the site in March 2016 with work commencing in July 2016, having discharged the planning conditions and completing the detailed designs. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. As a result of this, additional works were required and delays of around 23-weeks have been claimed by the Contractor. Their entitlement is currently being evaluated by Pellings, the Council's Employers Agents and the additional costs for the works are estimated to be around £500,000, which excludes any loss and expense claims. Until the claim has been evaluated for entitlement the final account cannot be updated to reflect any loss and expense. Furthermore, new fee arrangements will need to be agreed as a result of East Thames ending their contract as the Council's development agent. The anticipated outturn figure has been revised accordingly and the approved sum will be updated as part of the Capital Review.										
The anticipated completion date in the table above has been changed to 30 September 2018 to reflect the delays to the construction contract and an extension of time has been granted under the contract. Actual expenditure incurred to 31 December 2017 was £5,465,000, which includes an outstanding retention of £256,000.										
HOUSE BUILDING PHASE 3										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Revised Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100	Approved Budget Unspent to Date £'000 (C-D)
Feb-17	Feb-18	Apr-17	TBC	7,502	330	7,832	3,741	7,832	0%	4,091
Works across each of the Phase 3 house-building development sites commenced, based on the following:										
Scheme	Contract Sum	Start Date	Duration	Completion Date						
Bluemans End	£753,034	02/05/2017	36 Weeks	06/03/2018						
Parklands	£716,757	18/04/2017	56 Weeks	24/05/2018						
Springfields & Centre Avenue	£1,408,126	18/04/2017	60 Weeks	21/06/2018						
Stewards Green	£752,340	22/05/2017	34 Weeks	07/03/2018						
London Road	£235,695	19/06/2017	36 Weeks	07/03/2018						
Centre Drive	£300,285	09/10/2017	36 Weeks	13/06/2018						
Queens Road	£2,320,493	TBC	82 Weeks	TBC						
Work has commenced and is well underway on seven of the eight sites. Completion is expected on three of the sites in early March at Bluemans End, 79 London Road and Stewards Green. However, the development at Queens Road was delayed pending an agreement with UK Power Network (UKPN) over the lease needed to divert power cables and reposition the electrical sub-station. The agreement between UKPN, North Weald Parish Council and EFDC has been entered into and enabling works have commenced on site. These should be completed by the end of April 2018 when the build contract can commence. The contractor has requested an increase in the contract sum and the implications of this are currently being considered. Additional costs will also be incurred at the Stewards Green site as a result of the need to rebuild a retaining wall near to the sub-station.										
The total anticipated outturn figure for phase 3 will be updated in the light of these revised costs and will also reflect any amendments resulting from new consultancy arrangements following East Thames' decision to serve notice as the Council's development agent. Actual expenditure incurred to 31 December 2017 was £3,741,000, including outstanding retentions of £110,000.										

2017/18 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES

EPPING FOREST SHOPPING PARK										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Revised Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100	Approved Budget Unspent to Date £'000 (C-D)
Mar-16	Oct-16	Sep-16	Sep-17	31,161	741	31,902	30,071	31,902	0%	1,831
<p>The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000 approved by Cabinet in June 2015. It covers the purchase of Polofind's interest in July 2015, the development of the site at Langston Road by the Council as a sole owner, the costs allocated for Section 278 Highways Works, consultancy and other professional fees.</p> <p>The construction of the Shopping Park commenced in September 2016 and was completed in June 2017; a substantial delay on the original proposed dates (March 2016 and October 2016 respectively). The contract sum for the main works, carried out by McLaughlin and Harvey, was £10,300,000; however this figure has risen due to various variations and tenant improvement works to a final contract sum of £10,405,000. The remaining 2.5% of retention monies will be paid 12 months after completion, all other payments have been paid.</p> <p>As at 31st December 2017, 9 of the 12 units were trading with the two of the vacant units continuing to be marketed and remaining one in the hands of the solicitors. All capital payments have been paid. The current development appraisal still indicates a good return on the Council's investment.</p> <p>The Section 278 road improvement works have been problematic with substantial delays attributable to changing requirements from ECC and numerous utility clashes on drainage routes. These variations have resulted in substantial additional costs and an extended contract period. The final contract sum has been agreed at £4,250,000 with £165,000 being recovered from Essex County Council. The road improvement works were completed in December 2017, however EFDC are currently holding the retention subject to a number of items outstanding and additional works required under the recent Stage 3 Road Safety Audit.</p> <p>The anticipated outturn figure has been revised to £31,902,000 based on the latest information and includes a contingency sum for capital incentives which may be requested.</p>										

Report to the Finance Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: **FPM-024-2017/18**

Date of meeting: **22 March 2018**

Portfolio: Finance

Subject: Risk Management – Corporate Risk Register

Responsible Officer: Edward Higgins (01992 564606).

Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) To agree the updated Risk Owners for Risk 4, 6, 8 and 11;
- (2) To agree the updated Key date and Required Further Management Action for Risk 3;
- (3) To agree the Required Further Management Action for Risk 11;
- (4) To consider whether there are any new risks that are not on the current Corporate Risk Register; and
- (5) To agree that the amended Corporate Risk Register be recommended to Cabinet for approval

Executive Summary:

The Corporate Risk Register was considered by Management Board on 7 March 2018 with further review by the Risk Management Group on 8 March 2018. These reviews identified updates for the Corporate Risk Register.

Reasons for Proposed Decision:

It is essential that the Corporate Risk Register is regularly reviewed and kept up to date.

Other Options for Action:

Members may suggest new risks for inclusion or changes to the scoring of existing risks.

Report:

1. The Corporate Risk Register was reviewed by Management Board on 7 March 2018 with subsequent review by the Risk Management Group on 8 March 2018. Amendments have been identified and incorporated into the register (Appendix 1).
2. The Risk Owners for four of the eleven Risks within the Corporate Risk Register have been updated as detailed in the below table.

Risk No.	Risk Name	New Risk Owner
4	Finance Income	Peter Maddock
6	Data/Information	Simon Hill
8	Partnerships	Alan Hall
11	Transformation Programme	Derek Macnab

3. Risk 3 Welfare Reform – The Key Date has been updated to 31 December 2018, this date signifies the full implementation of Universal Credit within the district. The impact of the full implementation may not be known until some months later. Therefore, a further Management Action has been added to advise that a review will be required.
4. Risk 11 Transformation Programme – A Required Further Management Action has been added following the listing of the Civic Offices. This advises that the Council are to work with Historic Britain to ascertain the extent of the works that can be done to satisfy the listing criteria.
5. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Resource Implications:

No additional Resource requirements

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The Risk Management Group and management Board we involved in the process.

Background Papers:

None

Risk Management:

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this

report is essential reading for all members involved in the consideration of this report. The equality information is provided as an appendix to the report.

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Equality Impact Assessment

1. Under s.149 of the Equality Act 2010, when making decisions, Epping District Council must have regard to the Public Sector Equality Duty, ie have due regard to:
 - eliminating unlawful discrimination, harassment and victimisation, and other conduct prohibited by the Act,
 - advancing equality of opportunity between people who share a protected characteristic and those who do not,
 - fostering good relations between people who share a protected characteristic and those who do not, including tackling prejudice and promoting understanding.
2. The characteristics protected by the Equality Act are:
 - age
 - disability
 - gender
 - gender reassignment
 - marriage/civil partnership
 - pregnancy/maternity
 - race
 - religion/belief
 - sexual orientation.
3. In addition to the above protected characteristics you should consider the cross-cutting elements of the proposed policy, namely the social, economic and environmental impact (including rurality) as part of this assessment. These cross-cutting elements are not a characteristic protected by law but are regarded as good practice to include.
4. The Equality Impact Assessment (EqIA) document should be used as a tool to test and analyse the nature and impact of either what we do or are planning to do in the future. It can be used flexibly for reviewing existing arrangements but in particular should enable identification where further consultation, engagement and data is required.
5. Use the questions in this document to record your findings. This should include the nature and extent of the impact on those likely to be affected by the proposed policy or change.
6. Where this EqIA relates to a continuing project, it must be reviewed and updated at each stage of the decision.
7. All **Cabinet, Council, and Portfolio Holder reports must be accompanied by an EqIA**. An EqIA should also be completed/reviewed at key stages of projects.
8. To assist you in completing this report, please ensure you read the guidance notes in the Equality Analysis Toolkit and refer to the following Factsheets:
 - Factsheet 1: Equality Profile of the Epping Forest District
 - Factsheet 2: Sources of information about equality protected characteristics
 - Factsheet 3: Glossary of equality related terms
 - Factsheet 4: Common misunderstandings about the Equality Duty
 - Factsheet 5: Frequently asked questions
 - Factsheet 6: Reporting equality analysis to a committee or other decision making body

Section 1: Identifying details

Your function, service area and team: Insurance & Risk Management Officer, Accountancy, Resources

If you are submitting this EqlA on behalf of another function, service area or team, specify the originating function, service area or team:

Title of policy or decision: Risk Management – Corporate Risk Register

Officer completing the EqlA: Tel: 01992 564606 Email: ehiggins@eppingforestdc.gov.uk

Date of completing the assessment: 09/03/2018

Section 2: Policy to be analysed

2.1	Is this a new policy (or decision) or a change to an existing policy, practice or project? No
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision): To ensure the Corporate Risk Register is regularly reviewed and updated.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)? To ensure the Council achieves the corporate objectives.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users - No• employees - No• the wider community or groups of people, particularly where there are areas of known inequalities? - No <p>Will the policy or decision influence how organisations operate? No</p>
2.4	<p>Will the policy or decision involve substantial changes in resources? No</p>
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes? The decision ensures that the Council remains aware of the Corporate Risks and associated mitigation.</p>

Section 3: Evidence/data about the user population and consultation¹

As a minimum you must consider what is known about the population likely to be affected which will support your understanding of the impact of the policy, eg service uptake/usage, customer satisfaction surveys, staffing data, performance data, research information (national, regional and local data sources).

3.1	What does the information tell you about those groups identified? No groups have been identified as being affected by the decision to update the Corporate Risk Register.
3.2	Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision? No
3.3	If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary: The purpose of the report is to update the Corporate Risk Register, consultation of individual groups will not be required.

Section 4: Impact of policy or decision

Use this section to assess any potential impact on equality groups based on what you now know.

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	Neutral – The decision will not impact	L
Disability	Neutral – The decision will not impact	L
Gender	Neutral – The decision will not impact	L
Gender reassignment	Neutral – The decision will not impact	L
Marriage/civil partnership	Neutral – The decision will not impact	L
Pregnancy/maternity	Neutral – The decision will not impact	L
Race	Neutral – The decision will not impact	L
Religion/belief	Neutral – The decision will not impact	L
Sexual orientation	Neutral – The decision will not impact	L

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqlA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	
		Yes <input type="checkbox"/>	If ' YES ', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.

Section 7: Sign off

**I confirm that this initial analysis has been completed appropriately.
(A typed signature is sufficient.)**

Signature of Head of Service:

Date:

Signature of person completing the EqlA:

Date:

Advice

Keep your director informed of all equality & diversity issues. We recommend that you forward a copy of every EqlA you undertake to the director responsible for the service area. Retain a copy of this EqlA for your records. If this EqlA relates to a continuing project, ensure this document is kept under review and updated, eg after a consultation has been undertaken.

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Epping Forest District Council Corporate Risk Register

Date: 22 March 2018

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1. Introduction

A strategic risk management 'refresh' exercise was conducted on 15th May 2013 with assistance from Zurich Risk Engineering. This exercise was an opportunity for the Management Board to refresh (or update) through identification, analysis and prioritisation those risks that may affect the ability of the Council to achieve its strategic objectives and Corporate Plan. In doing so, the organisation is recognising the need to sustain risk management at the highest level.

The refresh exercise involved a workshop with Management Board to identify new business risk areas and to update and re-profile important risks from the existing corporate risk register.

In total 8 strategic risks were profiled at the workshop and during the workshop, each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. The risk matrix measured each risk for its likelihood and its impact in terms of its potential for affecting the ability of the organisation to achieve its objectives.

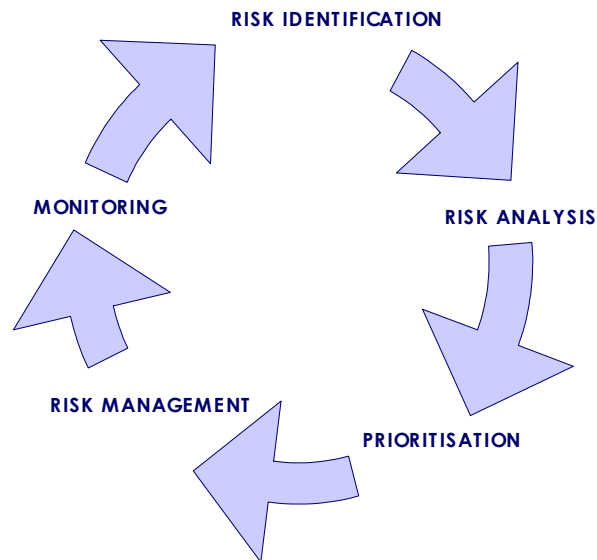
For the risks that were assessed with higher likelihood and impact, the group validated the risk scenarios and determined actions to manage them, including assessing the adequacy of existing actions and identifying the need for further actions in order to move the risk down the matrix.

Management Board agreed a timescale for re-visiting these risks in order to assess if they are still relevant and to identify new scenarios. Risks in the red zone will be monitored on a monthly basis and those in the amber zone on a quarterly basis.

The following report outlines the process utilised by Zurich Risk Engineering and the results achieved.

2. The Process

The risk management cycle

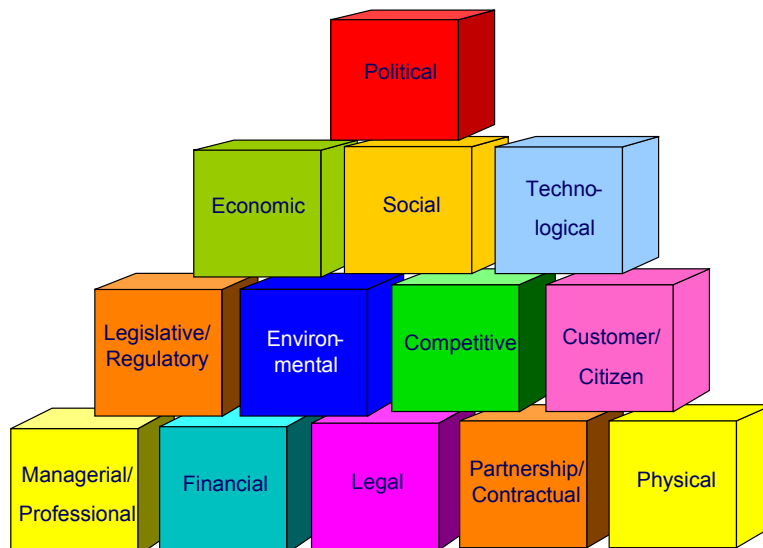


© Zurich

Risk identification

The first of five stages of the risk management cycle requires risk identification. This formed the initial part of the workshop. In doing so the following 13 categories of risk were considered.

Step 1- Risk identification



© Zurich

Risk analysis

During the workshop, the identified risks were discussed and framed into a risk scenario format, containing risk cause and consequence elements, with a 'trigger' also identified. This format ensured that the full nature of the risk was considered and also helped with the prioritisation of the risks.

Risk prioritisation

The discussion resulted in 8 risk scenarios being agreed (Appendix 2) and these were then assessed for impact and likelihood and plotted onto a matrix (Appendix 1). The likelihood of the risks was measured as being 'very high', 'high', 'medium', or 'low/very low'. The impact, compared against the key objectives and Corporate Plan was measured as being 'major', 'moderate', 'minor' or 'insignificant'.

Once all risks had been plotted the matrix was overlaid with red, amber and green filters, with those risks in the red area requiring further particular scrutiny in the short-term, followed by those in the amber area.

Risk management and monitoring

The next stage is to monitor the revised management action plans. These plans frame the risk management actions that are required. They map out the target for each risk i.e. to reduce the likelihood, impact or both. They also include targets and critical success factors to allow the risk management action to be monitored.

A risk owner has been identified for each risk. It is vital that each risk should be owned by a member of Management Board to ensure that there is high level support, understanding and monitoring of the work that is required as part of the plans. Risks should also be reviewed as part of the business planning process, in order to assess if they are still relevant and to identify new issues.

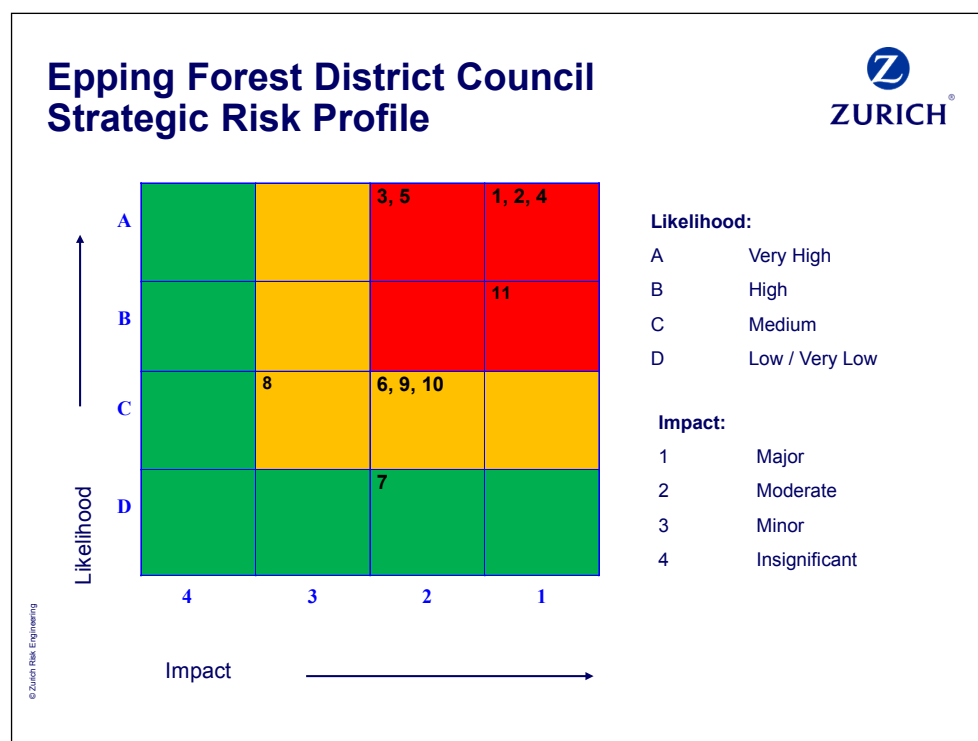
The monitoring of these action plans takes place at Corporate Governance Group, Management Board and the Risk Management Group. The action plans are also reported to Members quarterly.

As part of the regular review and reporting an additional risk on Safeguarding was added to the register in January 2014. The most recent addition was a risk covering various aspects of Housing Capital Finance and this was added in June 2015.

Appendix 1 – Risk Profile

Risk profile

During the workshop, 8 risks were identified and framed into scenarios. The results are shown on the following risk profile.



Appendix 2 details all of the above risks.

It is important that an action plan element is written for each of the risks, with particular focus on those with the highest priority, as it is this which will allow them to be monitored and successfully managed down.

An opportunity was also taken as part of this refresh to 'spring clean' the risk numbers, and they were numbered in priority order as follows:

Risk number	Short name
1	Local plan
2	Strategic sites
3	Welfare reform
4	Finance – income
5	Economic development
6	Data/ information
7	Business continuity
8	Partnerships
9	Safeguarding
10	Housing Capital
11	Transformation Programme

Appendix 2 – Corporate Risk Register and Action Plans

Risk No 1 Local Plan A1			
Vulnerability	Trigger	Consequence	Risk Owner
On-going changes to Planning system increase importance of having up to date Local Plan, in particular, Central Government's announcement that Local Authorities must submit their Submission Version by 31 March 2018 or have to provide higher numbers under the standard methodology.	Failure of Council to approve a draft plan in line with National Planning Policy Framework.	Plan not "sound", leading to further delay, wasted resources, and vulnerability to planning appeal decisions.	Derek Macnab
Changes in government planning policy require new Local Plan to take approaches significantly different from predecessors e.g. Duty to Co-operate, release Green Belt.	Inability to agree, particularly on amount and distribution of objectively assessed development needs.	As above	
Particular vulnerability to delay in approvals from Highways England on strategic modelling delay ability to understand impacts of delivering to objectively assessed need levels.	Failure to adhere to Local Development Scheme leads to developers making significant planning applications in advance of new Plan.	As above	
Protracted process of achieving local highway modelling			
Failure to make timely progress increases likelihood of "planning by appeal"		Significant diversion of professional resources to appeals. Risk of costs awards against Council.	
Planning policy recruitment and retention issues. Not considering alternative options of delivering work i.e outsourcing.	Inability to fill vacancies.	Delays in achieving timetable.	

Risk No 1 Local Plan – Action Plan						
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Project management approach in place including regular updates, resource planning.	Project plan needs to incorporate more time for political engagement at key decision points.	Agree mechanisms and timing with lead members, incorporate in revised project plan	Derek Macnab	Future adherence to project plan.	MB review 6 weekly	None – process ongoing.
Submission Version 2017 Agreed by Council 14 December 2017.	Key milestone to achieve new LDS.	Collation of Representations to be submitted to Planning Inspectorate by 31 March 2018.	Derek Macnab	Adherence to revised LDS	MB review 6 weekly	Submit by 31 March 2018.
Local Development Scheme revised July 2018.	Local Development Scheme adopted by Cabinet July 2018.	Review progress against key milestones.	Derek Macnab	Local Development Scheme remains robust	As necessary	
Workshops for EFDC and Town/Parish councillors on key issues to enhance awareness and understanding of new government requirements.	Workshops popular and helpful.	Supplement workshops with other forms of briefing to EFDC members as agreed with leading members.	Derek Macnab	Timely decision making in line with project plan.	As necessary	
Engagement with other key stakeholders e.g. ad hoc meetings with Town/Parish councils, Resident Associations and website, making positive use of external PR firm.	Utilising existing mechanisms including Local Council Liaison Committee. Intensive engagement takes place in lead up to formal consultations. Ongoing discussions being had around Neighbourhood Plans.	Assess responses to consultation.	Derek Macnab	Stakeholders feel well informed about process and decisions. Informed responses to public consultation.	As necessary	

Risk No 1 Local Plan – Action Plan						
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Systematic approach to Duty to Co-operate, engaging public bodies and developing Memorandum of Understanding (MoU) with key councils in the Strategic Housing Market Area (SHMA).	Difficulties and delay in engaging councils in serious discussion re MoU, however progress now being made. Meetings held with most other key bodies with positive outcomes, issues identified. Constant review of Planning Inspectorate local plan decisions re Duty to Co-operate.	Important that key decisions do not precede Duty to Co-operate i.e. “fait accompli”- Group is exploring additional items to be included on discussion agenda. Engage further key bodies e.g. Lee Valley Regional Park. Discuss informally with Planning Inspectorate as necessary.	Derek Macnab	Submitted plan passes legal test of Duty to Co-operate.	MB review six weekly	Officer Meetings – monthly now underway. Governance arrangements agreed. “Duty to Co-operate” Member meetings now ongoing.
Pursuit of MoU with Natural England regarding the effect of development on Epping Forest. Intention to extend MoU outside of SHMA Area to include neighbouring London Boroughs.	Effect as yet unknown	Invitation now extended to additional partners. Work to review outcomes of draft MoU has commenced.	Derek Macnab	Review and agreement of wider area MoU to include agreed mitigating actions.		As above
Consistent close working with Essex County Council through relevant structures, and individual officers	ECC and Highways England regular attendees at Co-op Member and Officer meetings.					
Consultants in place to support project management, resource planning, Sustainability Assessment, transport modelling, master planning. IR35 Regulations from 7 April complicating and compounding recruitment of consultants.	Staff cannot be prevented from leaving. Exit interviews should reveal any specific patterns. Market is picking up, making recruitment more difficult. EFDC is not offering the most competitive salaries compared to other Essex and London authorities.	Ongoing review of strategy by senior planners and Management Board. Scrutiny Function to be undertaken by Neighbourhood Select Committee.	Derek Macnab	No delays to timetable due to staffing gaps or lack of critical skills		

Risk No 1 Local Plan – Action Plan						
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Employment Allocation Determined in 23ha and allocated in Submission Version of Local Plan.</p>	<p>Effective to date.</p>	<p>Based on representations received prior to Examination in Public.</p>	<p>Derek Macnab</p>	<p>Employment allocation in Reg.19 Submission, considered sound at Examination in Public.</p>	<p>Monthly</p>	<p>31 March 2018.</p>

Risk No 2 Strategic Sites A1						
Vulnerability		Trigger	Consequence			Risk Owner
The Council has a number of Strategic sites which it needs to make the right decisions about and then deliver on those decisions.		Not maximising the opportunity of the strategic sites either through decisions or delivery.	<ul style="list-style-type: none"> Financial viability of Council harmed Lack of economic development and job creation External criticism 			Derek Macnab
One key individual is driving forward the projects.		Loss of key individual	<ul style="list-style-type: none"> Project delayed or mismanaged 			
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Work on strategic sites is co-ordinated through a dedicated Cabinet Committee.	Work is progressing on developing a number of sites:		Derek Macnab	Development of strategic sites completed in accordance with Cabinet decisions.	Monthly	None
	1. Winston Churchill, negotiations taking place with potential tenants for retail space	Complete letting of retail space.				
	2. St Johns, negotiations are ongoing with Epping Town Council;	Relocation of Housing depot to Oakwood Hill depot in progress.				
	3. Langston Road, in discussion with retailers as one or two units still to let;	Complete letting of last few units.				April 2018
	4. Waltham Abbey Leisure Centre; leisure centres are now managed by Places for People and they are developing sites. Construction has commenced, contractor digging out pool;	Monitor construction of new centre. Currently on programme.				November 2018
	5. Pyrles Lane Nursery, July Cabinet agreed disposal strategy. Marketing began January 2018.	Nursery Services to re-locate to Town Mead.				May 2018

Risk No 3 Welfare Reform A2

Vulnerability		Trigger	Consequence			Risk Owner
The government has pledged to make substantial savings from the overall welfare bill. This will require a major reform of the welfare system which is likely to have serious impacts on the Council and the community. This includes Universal Credit, changes to Council Tax and other benefits and direct payments to tenants.		Welfare reform changes have a detrimental effect on the Council and community	<ul style="list-style-type: none">• Tenants no longer able to afford current/new tenancies.• Increase in evictions and homelessness• Increased costs of temporary accommodation• Unable to secure similar level of income due to payment defaults• Increase in rent arrears• Public dissatisfaction• Criticism of the Council for not mitigating the effects for residents.			Alan Hall
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Joint Benefits and Housing working group established. Mitigation action plan developed.	Two thirds of the actions have been implemented.	Working Group to continue and amend mitigation action plan as necessary. To be reviewed when the full service is implemented.	Alan Hall	A smooth implementation of welfare reforms. Minimise number and cost of redundancies.	Monthly	31 December 2018.

Risk No 4 Finance Income A1						
Vulnerability		Trigger	Consequence			Risk Owner
<p>The Government are consulting on significant changes in responsibilities and financing. Despite four year settlements being in place further reductions still likely.</p> <p>A large number of rating appeals have been received and the outcome of these is uncertain.</p> <p>Welfare reform may require substantial change to the calculation and administration of benefits with a likely reduction in funding received.</p> <p>The medium term financial strategy requires substantial net CSB reductions over three years.</p>		<p>Unable to secure required level of income due to reduced demand for services, changes in legislation or adverse change in funding mechanisms.</p>	<ul style="list-style-type: none"> • Council unable to meet budget requirements • Staffing and service level reductions • Increase Council Tax • Increase in charges • Greater use of reserves if required net savings not achieved • Higher level of saving in subsequent years. 			Peter Maddock
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Monitoring of key income streams and NDR tax base. Savings opportunities pursued through service reviews and corporate restructure.	Effective to date as budgets have been achieved that meet the financial targets set by Members.	<p>Update Medium Term Financial Strategy as announcements are made on changes to central funding and welfare.</p> <p>Continue to pursue opportunities to reduce net spending.</p>	Peter Maddock	Savings targets achieved with net expenditure reductions over the medium term as part of a structured plan.	Monthly	28 February 2019, budget to Council.

Risk No 5 Economic Development A2						
Vulnerability		Trigger		Consequence		Risk Owner
Economic development and employment is very important, particularly in the current economic climate. The Council needs to be able to provide opportunities for economic development and employment (especially youth employment) in the District.		Council performs relatively poorly compared to other authorities.		<ul style="list-style-type: none"> • Unable to secure sufficient opportunities • Local area and people lose out • Insufficient inward investment • Impact on economic vitality of area • Loss of revenue 		Derek Macnab
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Members have agreed the key objectives to be delivered by the Economic Development Strategy. Work on final strategy has paused pending outcome of further evidence work e.g. Employment/Visitor Economy being undertaken as part of the Local Plan.</p> <p>Economic Development Team fully staffed.</p>	Too early to determine effectiveness.	Amend and update following consultation on Local Plan.	Derek Macnab	Growth in NDR tax base and employment opportunities. Council to be viewed as punching above its weight.	Monthly	None

Risk No 6 Data / Information C2						
Vulnerability		Trigger	Consequence			Risk Owner
The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.		Data held by the Council ends up in inappropriate hands.	<ul style="list-style-type: none"> Breach of corporate governance Increased costs and legal implications Reputation damaged 			Simon Hill
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Updated Data Protection policy agreed by Corporate Governance Group and rolling out through meta-compliance.</p> <p>Data Protection formed part of Member induction from May 2014, with requirement to confirm acceptance of the Council's DP policy.</p> <p>Consolidation of Data Protection and Freedom of Information work in one area.</p> <p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Controls in systems have been strengthened in response to specific occurrences.</p> <p>New system for handling F.O.I. requests now implemented.</p>	Generally effective to date, with no significant lapses so far in 2017/18.	<p>Update F.O.I. publication scheme and guide to information.</p> <p>Data sharing and fair processing notices to be reviewed and standardised.</p> <p>Maintain GCSx compliance and system controls.</p> <p>A working group is meeting monthly looking at changes necessary for implementing GDPR.</p>	Simon Hill	<p>Continued security of personal data held by the Council in accordance with the Data Protections Act 1998.</p> <p>No criticism from the ICO over how requests are handled.</p> <p>No data loss or system downtime due to unauthorised access of EFDC systems or data.</p>	Quarterly	<p>None</p> <p>25 May 2018 deadline for GDPR.</p>

Risk No 7 Business Continuity D2						
Vulnerability		Trigger		Consequence		Risk Owner
<p>The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act.</p> <p>Following the re-organisation plans will need to be updated and changes in responsibilities confirmed.</p>		<p>Unable to respond effectively to a business continuity incident (e.g. IT virus/flu pandemic)</p>		<ul style="list-style-type: none"> Services disrupted / Loss of service Possible loss of income Staff absence Hardship for some of the community Council criticised for not responding effectively 		Derek Macnab
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Most services already have business continuity plans in place and a separate flu pandemic plan has been developed.</p> <p>The Corporate Plan has been updated and adopted.</p>	<p>The effectiveness of controls is assessed periodically through test and exercises</p>	<p>Guidance to be issued to services on updating plans.</p> <p>Arrange periodic tests and exercises.</p>	Derek Macnab	<p>Having plans in place which are proved fit for purpose either by events or external scrutiny.</p>	Quarterly	None

Risk No 8 Partnerships C3						
Vulnerability		Trigger		Consequence		Risk Owner
<p>The Council is involved in a plethora of multi agency partnerships e.g. LSP - LEP, and these have a variety of governance arrangements.</p> <p>Localism act may cause transfer of Council services to providers with governance issues.</p>		Key partnership fails or services provided via arrangements lacking adequate governance.		<ul style="list-style-type: none"> Relationships with other bodies deteriorate Claw back of grants Unforeseen accountabilities and liabilities for the Council Censure by audit/inspection Adverse impact on performance 		Alan Hall
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Active participation in key partnerships by appropriate officers/Members.</p> <p>Structured reporting back to designated Select Committee.</p> <p>Members can request representatives on outside bodies to report to Full Council.</p>	<p>No significant issues to date.</p> <p>Internal Audit conducted an audit of partnerships and gave a rating of substantial assurance.</p>	<p>Continue existing monitoring procedures for current partnerships and construct appropriate arrangements for any new partnerships.</p> <p>Service areas need to ensure their own risk registers cover any significant partnerships they are involved with.</p>	Alan Hall	No significant impacts on service delivery or Council reputation from any partnership failures.	Quarterly	None

Risk No 9 Safeguarding C2			
Vulnerability	Trigger	Consequence	Risk Owner
<p>The Council needs to demonstrate its ability to meet its duties under Sections 11 and 47 of the Children Act 2004 and the Care Act 2014, which refer to adults with needs for care and support. This includes a specific responsibility for safeguarding adults from self-neglect.</p>	<p>The Council fails to meet its duties in regard to safeguarding children, young people and adults with needs for care and support.</p>	<ul style="list-style-type: none"> • A child, young person or vulnerable adult suffers significant harm • A child, young person or vulnerable adult suffers from exploitation • Avoidable death of a child, young person or vulnerable adult living in the District • Reputational risk for Council • Censure and special measures applied 	<p>Alan Hall</p>

Risk No 9 Safeguarding - Action Plan						
Existing Controls/ actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>The Council has a Safeguarding Policy (2015), which is updated in line with new legislation. The policy details what is required of all staff and Elected Members and is supported by a set of procedures which set out the process for recording safeguarding concerns, incidents and allegations.</p> <p>A corporate Safeguarding Group ensures sharing of best practice and information across Directorates and enables the identification of any weaknesses in the Council's work.</p> <p>Council policies have been developed for all new and emerging safeguarding issues such as Child Sexual Exploitation (CSE).</p> <p>A Safeguarding Strategy and Action Plan has been adopted by Cabinet.</p> <p>The Safeguarding Officer and part time Admin. Posts have now been included in the establishment.</p> <p>Nursery Worker Accommodation Task Group established.</p>	<p>The Council has reduced the risk of safeguarding issues going unnoticed by staff and Elected Members by providing a range of training and production of the new Policy and procedures in 2015.</p> <p>This group has become an effective forum for sharing of best practice and commitment from all Directorates is shown.</p> <p>Several of these policies have been used across Essex as examples of best practice.</p> <p>The Safeguarding Strategy and Action Plan set out the areas requiring further improvement.</p> <p>These posts have enabled a Safeguarding 'Hub', which all EFDC safeguarding issues are filtered through. The number of concerns identified in the last year has increased significantly.</p>	<p>Leadership Team and Managers to continue to promote vigilance amongst staff.</p> <p>The Council needs to ensure timely response to changes in legislation or local procedures.</p> <p>Directorates need to continue to commit time for representatives to attend the Corporate Working Group.</p> <p>An ongoing rolling programme of training needs to be in place, to update and refresh staff and Elected Member awareness in the new and emerging issues.</p> <p>The group has developed an action plan which is submitted to Management Board.</p>	Alan Hall	<p>The Council meets all of its duties under Section 11 and 47.</p> <p>The Council meets the new duties of the Care Act 2014.</p> <p>The Council fully meets all aspects of the ESCB/ESAB Safeguarding self - assessment.</p>	Monthly	<p>ESCB (Safeguarding Children) Audit to be submitted May 2018.</p>

Risk No 10 Housing Capital Finance		C2				
Vulnerability		Trigger	Consequence			Risk Owner
<p>If the Council is unable to spend right to buy receipts in set timescale on qualifying capital schemes we will have to pay the money to the Government along with interest at a penalty rate.</p> <p>Changes to legislation which reduce income to the HRA.</p> <p>The Government is introducing right to buy for tenants of housing associations financed through the forced sales of Council properties as they become void. The initial pilot is being expanded in 2017/18 with funding from the Treasury. What will happen beyond 2017/18 remains unclear.</p>		<p>Schemes are delayed by either the planning process or unanticipated site problems.</p> <p>Imposition of further restrictions on rent levels.</p> <p>Imposition of right to buy scheme which requires the disposal of a large proportion of the Council's void properties.</p>	<ul style="list-style-type: none"> • Loss of capital resources • Revenues cost of penalty interest • Loss of rental income • Delays in provision of new social housing • Increase in housing waiting list • Current 30 year business plan may become unsustainable. 			Alan Hall
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Position being monitored by the House Building Cabinet Committee and a number of contingency options are available including purchasing on the open market.</p> <p>The Council belongs to the Association of Retained Council Housing which lobbies on such issues.</p>	<p>Effective to date.</p> <p>Too early to comment yet as the policy is still being developed.</p>	<p>Continue close monitoring of financial position.</p> <p>Keeping Members fully informed of the potential consequences of their actions.</p> <p>Monitor policy development/announcements and participate in lobbying if appropriate.</p>	<p>Alan Hall</p> <p>Alan Hall</p>	<p>Loss of right to buy receipts is minimised.</p> <p>No loss of Council properties to support right to buy for HA tenants.</p>	<p>Monthly</p> <p>Monthly</p>	<p>Ongoing</p>

Risk No 11 Transformation Programme		B1				
Vulnerability		Trigger	Consequence			Risk Owner
The Council has embarked on a major programme to modernise working practices and improve efficiency. The three key projects within the programme are people, accommodation and ICT. These are all challenging pieces of work and if any of them fail or are significantly delayed the whole programme may collapse.		<p>There are many issues with the potential to disrupt one or more of the projects. Each project requires resourcing financially and with staff time. Loss of a key individual or a lack of finance would make delivery difficult.</p> <p>Restrictive listing of offices could obstruct the work on accommodation.</p>	<ul style="list-style-type: none"> • Service improvements not achieved for residents. • Improvements in efficiency not delivered. • Pressure on future budgets. • Reputational damage to the Council. 			Derek Macnab
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Regular meetings of Transformation Programme Board (TPB) and monitoring reports presented to every Cabinet meeting.	ICT and People strategies approved by Cabinet and progressing.	<p>TPB to continue to monitor projects and ensure adequate human and financial resource available.</p> <p>Action on listing can only be determined when the outcome is clear.</p> <p>To work with Historic England to ascertain the extent of the works that can be done to satisfy the listing criteria.</p>	Derek Macnab	<p>Projects delivered on time and in budget with full benefits realisation.</p> <p>Detailed success factors and measures are set out in the project management documents for each project.</p>	Monthly	Key dates are set out in the project management documents for each project.

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