

Select Committee Agenda



Resources Select Committee Tuesday, 17th October, 2017

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

Committee Room 1, Civic Offices, High Street, Epping
on **Tuesday, 17th October, 2017**
at **7.30 pm** .

Glen Chipp
Chief Executive

**Democratic Services
Officer**

A Hendry, Directorate of Governance
email: ahendry@eppingforestdc.gov.uk Tel: 01992 564246

Members:

Councillors A Patel (Vice-Chairman), R Bassett, N Bedford, D Dorrell, R Gadsby, J Jennings, P Keska, J Lea, A Mitchell, D Sunger, C Roberts, D Roberts and J M Whitehouse

SUBSTITUTE NOMINATION DEADLINE:

6.30pm

1. APOLOGIES FOR ABSENCE

2. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

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

3. NOTES OF PREVIOUS MEETING (Pages 5 - 16)

Minutes

To agree the notes of the meeting of the Select Committee held on 13 July 2017

Matters Arising

To consider any matters arising from the minutes of the last meeting.

4. DECLARATIONS OF INTEREST

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

In considering whether to declare a pecuniary or a non-pecuniary interest under the Code of Conduct, Overview & Scrutiny members are asked pay particular attention to paragraph 9 of the Code in addition to the more familiar requirements.

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

Paragraph 9 does not refer to Cabinet decisions or attendance at an OS meeting purely for the purpose of answering questions or providing information on such a matter.

5. TERMS OF REFERENCE AND WORK PROGRAMME (Pages 17 - 22)

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

6. UNIVERSAL CREDIT (Pages 23 - 34)

(Director of Resources) to consider the attached report.

7. QUARTERLY FINANCIAL MONITORING REPORT - QUARTER 1 (Pages 35 - 56)

(Director of Resources) to consider the attached report.

8. FINANCIAL ISSUES PAPER (Pages 57 - 76)

(Director of Resources) to consider the attached report.

This report originally went to the Finance and Performance Management Cabinet Committee in July 2017.

9. DRAFT TECHNOLOGY STRATEGY 2018 - 2023 (Pages 77 - 84)

(Director of Resources) to consider the attached report and receive a short presentation.

10. CORPORATE PLAN KEY ACTION PLAN 2017/18 - QUARTER 1 PROGRESS (Pages 85 - 92)

(Chief Executive) to consider the attached report.

11. KEY PERFORMANCE INDICATORS 2017/18 - QUARTER 1 PERFORMANCE (Pages 93 - 100)

(Chief Executive) to consider the attached report.

12. FEES AND CHARGES 2018/19 (Pages 101 - 128)

(Director of Resources) to consider the attached report.

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

To consider which reports are ready to be submitted to the Overview and Scrutiny Committee at its next meeting.

14. FUTURE MEETING

To note the future dates for this Committee. They are:

19th December 2017;
13th February 2018; and
03rd April 2018.

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**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON THURSDAY, 13 JULY 2017
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.30 - 9.00 PM**

Members Present:	S Kane (Chairman), , N Bedford, D Dorrell, L Hughes, P Keska, J Lea, G Shiell, C Roberts and J M Whitehouse
Other members present:	G Mohindra
Apologies for Absence:	A Patel, R Bassett (Vice Chairman of the Council), R Gadsby, J Jennings, A Mitchell, D Sunger and D Roberts
Officers Present	R Pavey (Assistant Director (Revenues)), P Maginnis (Assistant Director Human Resources), J Bell (Senior Account), E Higgins (Insurance & Risk Officer) and A Hendry (Senior Democratic Services Officer)

1. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was noted that Councillor L Hughes was substituting for Councillor A Mitchell and Councillor G Shiell was substituting for Councillor R Bassett .

2. NOTES OF PREVIOUS MEETINGS

Minutes

The notes of the meetings held on 28 March 2017 and 10 April 2017 were agreed.

Matters Arising

(a) Councillor Kane wondered if any progress had been made on having members trained on the new MFDs. He was told that this would have to be chased up.

(b) Councillor Kane asked about an update on the new IR35 legislation and how it affected our contractors. The Assistant Director, Human Resources replied that an assessment of staff off the payroll had been carried out, a questionnaire completed and legal advice sought on this very matter. As a result new processes were put in place, along with a new statement of working. They were now looking to have managers state if the IR35 applied and were also looking at each contract to make them fit for purpose.

3. DECLARATIONS OF INTEREST

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

4. RESOURCES BUSINESS PLAN FOR 2017

The background to this item was that the Overview and Scrutiny Committee had requested that the relevant Portfolio Holders attend the first meeting of each Select

Committee to present their Business Plans, which were developed on a Directorate basis. This would enable each Committee to undertake a more in-depth scrutiny role regarding the numerous services which made up each Select Committee.

In the absence of Councillor Lion, Councillor Mohindra updated the Committee on the technology and support services side of the business plan that directly affected the Resources Directorate. He noted that facilities management were focusing on customer services and office accommodation and linked transformation projects. Human Resources were now working on their third cohort of corporate apprentices and were recruiting another 9 for the coming year. The MFD installation was now nearly complete and the majority of staff were now using these machines.

As for the financial side of the Resources Directorate Business Plan, he noted that the Council was still financially very strong. The plan indicated that the Statutory Statement of 2016/17 would be ready for publication by 30 September and officers were preparing the 2018/19 budget for adoption by full Council in February.

Councillor Bedford asked about item 7 on the plan, 'to maximise the collection of Council Tax and Business Rates' and the 2% not collected. How much was this in monetary terms. Councillor Mohindra noted that the collection was close to 100% once on-going collection of those debts in future years was taken into consideration. Mr Pavey, the Assistant Director Revenues added that the collected revenue for one year would be 99%. 1% would be equal to about £350k for Business Rates and £850k for Council Tax and most of this would be recovered over the following year. Councillor Kane pointed out that any write offs were always published. Councillor Bedford said that it would be good to let the public know that we did collect almost all of the income owed to us.

Councillor Bedford asking about item 10 of the plan, 'business case for internal enforcement agents' asked how this project was going. Mr Pavey said a report was due to go to the Cabinet looking if it was worth doing the work and collecting the fees.

Councillor Bedford went on to item 13, the purchasing of a new generator for the Civic Offices; would this be deferred, considering that we were moving to the use of one building. Councillor Mohindra said he thought this would happen anyway. Councillor Bedford clarified asking if we would need a smaller generator for just this building. Would it be useful to defer this decision to a little later? Councillor Kane said that this was part of a five year maintenance programme. Councillor Mohindra said that Councillor Lion had looked at this and had found that we did need this new generator.

Councillor Bedford then asked about item 20, 'recruit of new cohort of apprentices' and wondered if any specific disciplines were being recruited for. He was told that there would be 9 administrative apprentices and 1 construction apprentice.

Councillor Jon Whitehouse noted that there was no mention of business relief in the plan. Mr Pavey said that this was announced in the March budget and would be going to October's Cabinet. Officers were looking to work out a scheme to cover the next 4 years. He noted that it would be heavily front loaded for the 1st year, with little for the 4th year. They were likely to take out multi nationals and chains and target local businesses.

Councillor Kane asked about item 5 'undertaking compliance checks', was the proposed percentages of checks enough or should it be higher. He was told by Councillor Mohindra that a 20 to 30% check was a reasonable percentage.

Councillor Kane then asked about item 6, 'on line claim forms' that had a deadline of June 2017. He was told that was due to go live at the end of this month.

Councillor Kane asked the same about item 9, 'SMS test messaging for payment reminders'. Mr Pavey said that officers hoped to have it in operation by September.

Councillor Kane then asked about item 14, 'to develop a 2018/2023 ICT Strategy'. He was told that this was out on consultation at present and this was what the June '17 date indicated.

On looking at item 17, Councillor Kane asked what 'Northgate Aspire Mobile Working' was. He was told that it was about mobile or out of office working.

5. CORPORATE PLAN 2018-2023

The Assistant Director, Revenues, Mr Pavey, introduced the report on the proposed new Corporate Plan for 2018-2023. The current Corporate Plan was the authority's current key strategic planning document. The new plan for 2018-2023 sought to lay out the journey the Council would take to transform the organisation to be 'ready for the future'. This plan sought to link the key external drivers influencing the council's services with a set of corporate aims and objectives, grouped under three corporate ambitions. This was the first draft going to all the Select Committees and the main O&S Committee for feedback. Members were asked to consider and comment on the document.

Councillor Kane was very enthusiastic about the new plan, saying it was quite a feat to reduce the Corporate Plan to just three documents.

Councillor Jon Whitehouse noted that the overall objectives outlined on page 33 (appendix 1) of the agenda looked a little vague and needed to be improved for clarity; such as saying we needed more homes of the right type etc. as this did not really mean anything to the lay person. He also noted that the main benefit of the new St Johns Road development was reduced down to increased business rates. It was more than this and not just there as income for the Council. Councillor Mohindra agreed that business rates were the wrong measure, it was looking at regeneration in Epping, but it was the easiest thing to measure.

Councillor Bedford asked how the staff were taking this. Ms Maginnis replied that they had not really seen it as yet as it was new and initially for the Select Committees to consider.

Councillor Bedford said that the sheet on 'Stronger Council' looked very messy in the middle section. It may be that two sheets were needed for this or the boxes could be reduced down.

Councillor Whitehouse said it was good to have something in there that mentioned 'healthy lifestyles' as well as tackling parking issues. Councillor Kane said that parking could be one of the drivers to go into the 2018-23 time frame. Although, Councillor Mohindra noted that on street parking was still with the County and beyond our control. Councillor Kane said it would be worthy to have this as a corporate objective.

RESOLVED:

That the Committee noted, considered and commented on the Corporate Plan for 2018-2023.

6. PROVISIONAL CAPITAL OUTTURN REPORT 2016/17

John Bell, Senior Accountant, introduced the report on the Council's Provisional Capital Outturn for 2016/17. The report set out the Council's capital programme for 2016/17, in terms of expenditure and financing, and compared the provisional outturn figures with the revised estimates. The revised estimates, which were based on the Capital Programme, represent those adopted by the Council on 21 February 2017.

The Council's total investment on capital schemes and capital funded schemes in 2016/17 was £36,957,000 compared to a revised estimate of £43,077,000, representing an underspend of 14%. With regard to the General Fund projects, there was an overall underspend of £1,675,000 or 9%.

It was noted that the construction of the new depot at Oakwood Hill was completed last summer and has been operational since September 2016. However, there had been a number of snagging disputes, as well as an ongoing issue in relation to the off-site monitoring of the alarm system. In addition, a further fire alarm system had to be installed to comply with DDA safety requirements and there was some outstanding highways works. This had resulted in an overspend of £206,000 as at 31 March 2017 for which retrospective approval had been requested. A report will be submitted to Cabinet once the final account has been agreed and all costs have been finalised. Councillor Mohindra added that he had called in the security problems to be looked at by the Cabinet.

A large underspend related to the surrender of a lease to Glyn Hopkin Limited in respect of a motor car dealership located on the corner of Brooker Road and Cartersfield Road in Waltham Abbey. Approval was given for the Council to make a payment of £990,000 in consideration of this and immediately following completion, a new 25-year lease was entered into, delivering significant annual revenue benefit. Councillor Mohindra noted that they had doubled the rental income of the back of this deal.

Within the Resources Directorate, the largest underspend was on the planned maintenance programme as many of the schemes planned at the civic offices had been delayed awaiting the outcome of the Accommodation Review. Work had been restricted to essential improvements; this included new control panels which control the heating system, lead valley guttering, fire alarm system upgrade works and the installation of the LED lighting. Planned maintenance works on other buildings had been progressed; included the resurfacing of the rear access yard at the Limes Avenue shops in Chigwell and the installation of an electrical bypass panel at the Hillhouse shops in Waltham Abbey. However, the works planned at Town Mead Depot had not progressed to date. It was recommended that the full underspend of £318,000 was carried forward pending an assessment of requirements in the light of the Accommodation Review. Councillor Mohindra noted that officers always had to justify any carry forwards, they were not just agreed and had to have valid reasons.

Under the Housing Revenue Account there was an underspend on the Council's house-building programme which had requested a carry forward.

The second largest underspend of £769,000 was experienced on the heating, rewiring and water tank works on existing properties. Within this sum, there were savings of £27,000 on mechanical ventilation and heat recovery installations, as the

milder winter temperatures generated fewer condensation issues, and there were further savings of £43,000 on water tank replacements. The majority of the underspend, however, related to slippage on the gas boiler replacement programme, primarily in the sheltered units, for which a carry forward of £741,000 was sought to complete these works. Councillor Mohindra asked if the problems with the gas boilers would increase the costs. Mr Bell did not know but would ask Teresa Brown to get back to him on this. Councillor Bedford asked if the new boilers would be the new type Combi boilers. He was told that would be a question for the Communities Directorate.

At Langston Road's new shopping park, the Section 278 road improvement works, had been subject to delays from the outset and still represented the largest risk to the project. The revised budget and actual costs of the construction works and fees associated with the highways work is shown separately as they were classified as revenue costs financed from capital under statute. The figures showed an underspend of £1,060,000, which had resulted from delays primarily due to changing requirements from the Highways Authority. The Highways Authority had asked for a carry forward for this underspend. Councillor Bedford wondered if we could recover this from ECC and was told that it was being looked into.

Councillor Kane asked about the overspend of £8,000 on the cash kiosks. He was told that officers did not appreciate the amount of software development needed for the complete integration into the general ledger system. Councillor Mohindra said he was very pleased with the new kiosks and no complaints or issues have arisen with them.

RESOLVED:

- (1) That the provisional capital outturn report for 2016/17 and the retrospective approval for the over and underspends in 2016/17 on certain capital schemes as identified in the report be noted;
- (2) That approval for the carry forward of unspent capital estimates into 2017/18 relating to schemes on which slippage has occurred was noted; and
- (3) That approval of the funding proposals outlined in this report in respect of the capital programme in 2016/17 be noted.

7. PROVISIONAL REVENUE OUTTURN 2016/17

John Bell, Senior Accountant, introduced the report on the Council's overall summary of the revenue outturn for the financial year 2016/17. The Committee noted that the General Fund saw £288,000 more than estimated being used from the opening balance. Total net expenditure on the General Fund was £14.039 million, some £787,000 higher than the original estimate and £71,000 higher than the revised estimate. Expenditure from the District Development Fund and Invest to Save Reserve was £1.643 million less than estimated.

The position on the Housing Revenue Account was £157,000 better than anticipated.

Net DDF expenditure was expected to be £698,000 in the original estimate and £1,096,000 in the revised estimate. In the event the DDF showed net income of £446,000. This was £1,144,000 below the original and £1,542,000 below the revised.

There were requests for carry forwards totalling £1,301,000. These one-off projects were akin to capital, in that there was regular slippage and carry forward of budgetary provision. Therefore the only reasonable variance analysis that could be done was against the revised estimate.

The DDF increased between the Original and Revised position by £398,000, overall this was not significant but there were some large swings on both income and expenditure. On the Income side additions relating to Development and Building Control (£150,000), Various commercial and industrial rents (£122,000), various other grants and income (£86,000). There was also some reprofiling of expenditure into future years particularly in relation to the staffing costs relating to the technical agreement. Offsetting this were amounts brought forward from 2015/16 and additional resources provided for the Local Plan (£626,000), Waste and Recycling (£144,000) and an amount of £116,000 in relation to the income from the major preceptors that has been taken into the CSB.

The difference between the revised position and the outturn position was a reduction of £1,542,000. During February and March around £928,000 in grants and contributions were received which had been applied for but not confirmed in time for the budget setting process. These monies have been added to the DDF and were intended for spending in 2017/18. The largest of these is for the Garden Town funding of which £665,000 was carried forward into 2017/18. All of these grants and contributions related to the Neighbourhoods Directorate. Other income variations are: additional income from the agreement with major preceptors £158,000, unspent new burdens grant required in 2017/18 £127,000, additional commercial and industrial rents £63,000. There were also two larger underspends relating to building maintenance £92,000 and the local plan £66,000.

Spending from the Invest to Save Reserve was £219,000 which was £101,000 below the revised estimate of £320,000. There are carry forward requests of £107,000 the largest relating to the ICT infrastructure for the new car park management contract of £45,000. There was also a small overspend relating to the payment kiosks at the Civic Offices.

The Housing Revenue Account will start the new financial year in a slightly better position at £3.85 million. There was still significant uncertainty facing the HRA going forward with continued 1% rent reductions and the potential high value void levy so any addition to balances was helpful when viewed in that context.

Councillor Mohindra noted that there were some small items such as document scanning at £1000 still in there; was there some way they could be removed. He was told that the department concerned had specifically asked for this to be carried forward at the start of the process. However, Mr Bell would look back and review the figures.

Councillor Bedford wondered about the second hand fire truck mentioned in appendix 'E' was that figure £5,000 or £50,000. Councillor Whitehouse commented that that would be £5,000; what was left over. Mr Bell added that officers were looking for it to be carried forward to this year.

RESOLVED:

- (1) That the provisional 2016/17 revenue out-turn for the General Fund and Housing Revenue Account (HRA) be noted; and

(2) That as detailed in Appendix E of the report, the carry forward of £1,301,000 District Development Fund and £107,000 Invest to Save Reserve expenditure be noted.

8. RISK MANAGEMENT STANDARDS ASSESSMENT AND INSURANCE RENEWALS

The Risk Management and Insurance Officer, Mr E Higgins, introduced his report on the guidance provided by the Council's insurer, Zurich Municipal. The Committee noted that on the 8th February 2017 a Public Sector Risk Consultant from the Council's insurer visited to carry out a Risk Management Standards Assessment in three specified areas. The areas being assessed were, Property (General), Combined Liability and Motor.

The Property review looked at non-residential properties which included the Civic Offices, Oakwood Hill Depot, North Weald Airfield and other operational buildings; and the combined Liability element reviewed areas that could result in Employers' or Public Liability insurance claims, such as inspections of estates, car parks, open spaces and staff training.

The Motor element looks at how the Council operates the fleet and also the grey fleet, which is an employee driving their own vehicle for Council business.

Since the review the council has instigated a Fire Risk Assessment at the Civic Offices. The report had just been received, so at the time of writing officers had not been able to review the report. The insurers would like to see rubbish not kept next to our building. It was reasonable for us to do this here in the Civic Offices but we may struggle with our other sites.

The retail park had also been inspected and now all bin stores have been moved away from the buildings.

Although not part of the ZM assessment, Alan Hall, Director of Communities, has detailed the Approach to Fire Safety for the Council's Housing Stock within the general information section of the Council Bulletin published on 23 June 2017.

The Council had now requested the insurer to carry out a review of current inspection regimes, which will be followed by inspection training for managers. The result of which should see a measured approach to inspections, maintenance and record keeping.

The Council has started updating the Drivers Handbook and is looking into methods to implement driving licences checks.

At the meeting of this Committee on 7th February 2017 an overview of claims statistics was presented and discussed. The discussion touched upon insurance premiums and the possibility of the insurer providing funding for dash mounted cameras for the Council's fleet vehicles. Following this the insurer advised that they were unable to provide any funding for dash mounted cameras. They did acknowledge the benefit that cameras can bring in 50:50 claims. However, they did advise the use of caution if the Council did decide to implement the cameras, as there was growing concern around the misuse of footage.

Councillor Bedford asked if the Council would be looking at officer's Driving Licences. He was told that the council would be looking at them as well as the insurance for the drivers. Ms Maginnis added that it would be checked by an outside company for us, looking at what levels their insurance was based.

Councillor Mohindra asked we would be introducing dash cams. Mr Higgins replied that we had no intentions to do this at present and there was no pressure from the insurance company to do so. If we did this, we would need to have some sort of secure, tamper proof, system. Councillor Mohindra said that this should be something that we should revisit.

Councillor Bedford commented that we should look at the type of vehicle we purchased and if the manufacture could build this in into our future purchases. Councillor Mohindra said that they were not asking officers to look at this yet.

Mr Higgins noted that all council properties had fire alarms in them; the Director of Communities had confirmed this.

In response to a question as to whether premiums would go down, as they always tended to go up, Mr Higgins said that every 5 years or so the Council went to tender for the best deal. The terms were set at the beginning of this term and would apply for that 5 year period. Insurers could only raise their premiums by way of going through the use of specific rules. He also noted that insurance premium tax would go up from 9 to 12%

RESOLVED:

- 1) That the guidance provided by the Council's insurer, Zurich Municipal (ZM), following the Risk Management Standards Assessment on 8th February 2017 be noted; and
- 2) That the insurance renewal information and the increase to Insurance Premium Tax (IPT) be noted.

9. SICKNESS ABSENCE REPORT QUARTERS 3 AND 4

The Assistant Director Human Resources, Ms P Maginnis, introduced her report on the Council's absence figures for Quarter 3 and 4 for 2016/17. It included absence figures by Directorate, the number of employees who have met the trigger level, those who have more than 4 weeks absence and the reasons for absence. The Committee noted that the figures had improved for this last year and were on target for this year as well.

The Council's target for sickness absence under RES001 for 2016/2017 was an average of 7.5 days per employee. The current outturn figure for the two quarters was an average of 3.73 days, which was below the target of 3.86 days. The overall outturn figure for the year was an average of 6.71 days, which was 0.79 days lower than the target.

During Q3, 2.6% of employees met the trigger levels or above, 33.4% had sickness absence but did not meet the triggers and 64% had no absence. During Q4, 5% of employees met the trigger levels or above, 30% had sickness absence but did not meet the trigger levels and 65% had no absence.

Currently, under the Council's Managing Absence Policy there are trigger levels for

initiating management action in cases of excessive sickness absence. These are:

- (i) during any 'rolling' twelve-month period an employee has had 5 or more separate occasions of absence; or
- (ii) during any 'rolling' twelve-month period an employee has had at least 8 working days of any combination of un/self certificated, or medically certificated absences.

The previous report to this committee flagged up mental health absences, officers had now put in processes to help and it was reducing. The Council was now part of a trust the "Mindful Employer" helping us to put in strategies to help staff.

There continued to be a significant decrease in the number of long term absence cases since 2014/2015. During Q3 and Q4 of 2016/17 the numbers of staff taking long term sickness were less than those of the same quarter last year.

Roughly two thirds of staff did not have any time off sick.

At the December meeting of this Committee, members asked for comparison figures from our partner organisations. Unfortunately they had not been provided. However figures from the Chartered Institute of Personnel and Development reported the following national figures:

- Leisure – Average number of days – 5.1
- Waste (Transport, distribution & storage) - Average number of days – 7
- Housing repairs (construction) - Average number of days – 4.9

It should be noted that the waste figures came from three organisations; this was not a priority for the private sector.

An article will be published in District Lines to show members of staff sickness absence figures and the improvements made.

Councillor Mohindra praised Ms Maginnis and her team for their work in bringing down the absence figures over the last few years. He was also happy to see us tackling Mental Health problems and also stress outside of work.

Councillor C Roberts wondered if we could get some feedback on the use of the helpline for staff. Ms Maginnis responded that hopefully we could get some sort of anonymous feedback for management use that could be useful.

RESOLVED:

That the Resources Select Committee noted the report on sickness absence.

10. KEY PERFORMANCE INDICATORS 2016/17 - OUTTURN QUARTER 4 (PERFORMANCE)

The Assistant Director, Revenues, Mr Pavey, introduced the report the quarter 4 outturn performance figures for the Key Performance Indicators for 2016/17.

It was noted that a range of 37 Key Performance Indicators (KPIs) for 2016/17 was adopted by the Finance and Performance Management Cabinet Committee in March 2016. The KPIs were important to the improvement of the Council's services, and

comprise a combination of some former statutory indicators and locally determined performance measures. The aim of the KPIs was to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district.

Progress in respect of each of the KPIs was reviewed by the relevant Portfolio Holder, Management Board, and Overview and Scrutiny at the conclusion of each quarter. This report provided an overview of all KPIs and includes in detail those indicators which fell within the areas of responsibility of the Resources Select Committee.

The overall position for all 37 KPIs at the end of the year was as follows:

- (a) 28 (75%) indicators achieved target;
- (b) 9 (25%) indicators did not achieve target; although
- (c) 3 (8 %) of these KPIs performed within its tolerated amber margin.

Resources Select Committee indicators – 9 of the Key Performance Indicators fell within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at the end of the year for these indicators was as follows:

- (a) 8 (89%) indicators achieved target;
- (b) 1 (11%) indicators did not achieve target; and
- (c) 0 (0%) indicators performed within its tolerated amber margin.

This was a good news story for Resources as the only red indicator (RES002 – *what % of invoices we received were paid within 30 days*) was only missed by 1%.

Councillor Mohindra commenting on the missed indicator said that Communities always seemed to be the one that dragged us back. Mr Pavey said that this would be one to watch in the future, and that officers were looking at a new suite of indicators to go with the transformation project.

RESOLVED:

That the Select Committee noted and reviewed the performance against the Key Performance Indicators within its areas of responsibility for 2016/17.

11. CORPORATE PLAN KEY ACTION PLAN 2016/17 QUARTER 4 (OUTTURN) POSITION

Mr Pavey introduced the report on the Corporate Plan Key Action Plan for 2016/17 and the outturn position for quarter 4.

The Corporate Plan 2015-2020 was the Council's highest level strategic document. It sets the strategic direction for the authority for the five year lifetime of the Plan. It focuses on a number of key areas that the Council needed to focus on during that time and helps to prioritise resources to provide quality services and value for money. These key areas are known as the Corporate Aims and are supported by a set of Key Objectives which represent the Council's high-level initiatives and over-arching goals to achieve the Corporate Aims. The Key Objectives are in turn, delivered via an annual Key Action Plan.

There are 49 actions in the Key Action Plan 2016/17. At the end of the year:

- (a) 33 (68%) of the individual deliverables or actions supporting the key objectives had been achieved;
- (b) 9 (18%) of the deliverables were expected to achieve target in the next 6 months.
- (c) 7 (14%) of the deliverables or actions were not completed by year-end albeit significant progress has been made. Details of the progress made are set out in the comments against the individual deliverables or actions in the attached schedule.

13 actions fell within the areas of responsibility of the Resources Select Committee. At the end of the year:

- 10 (77%) of these actions had been achieved; and
- 3 (23%) of these actions had not been achieved.

It was noted that officers were looking at sundry debt service and looking to bring individual debts together and treat it as a whole, putting them into one view. They were looking at putting the IT in place and would bring it to members for their comments on this system. Councillor Bedford asked about protected incomes. Mr Pavey said this was set out in legislation and officers could always come to an agreement.

Councillor Whitehouse asked if there were than many people who had multiple debts with the Council? Mr Pavey said not that many, they were mostly in connection with commercial or housing rents; it would be helpful for them to deal with the council in one place.

Councillor Kane said it was noted that action 11 (provide HR/Payroll services to at least one other authority) should have a target date of 31 March 2018 and not 31 March 2017. Also there needed to be some indication on when these projects came back on track. Councillor Mohindra asked if the wording of the action should be rephrased as it seems to stipulate that there had to be at least one other authority who was willing join our scheme. Ms Maginnis said that officers were presently looking into this. We were still getting to grips with the new payroll system. They will put in something like "marketing the service" rather than "at least one other authority".

RESOLVED:

That the outturn position of the Corporate Plan Key Action Plan for 2016/17 in relation to the Resources area of responsibility be commented on and noted.

12. TERMS OF REFERENCE AND WORK PROGRAMME

Terms of Reference

The Committee noted their Terms of Reference.

Work Programme

The Committee noted their Work Programme.

Councillor Kane noted that item 15, 'Shared Services Working' was still to be arranged; was it still valid? Ms Maginnis replied that the Transformation Programme was looking at this and that work was also being done on this at present. Councillor Whitehouse asked if they could have an update by May 2018.

Councillor Kane also remarked that item 18, the Transformation Scrutiny, was to be left on hold until the Task and Finish Panel had reported.

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

The Committee noted that a general update would be going to the next O&S Committee.

14. FUTURE MEETINGS

The Committee noted their future meeting dates.

Councillor Mohindra noted that the Finance and Performance Management Cabinet Committee will be having its usual meeting on 18th January 2018 reviewing the Budget for the following year and that there was a standing invite for the Resources Select Committee to attend and give their views.

RESOURCES SELECT COMMITTEES

TERMS OF REFERENCE 2017/18

Title: Resources Select Committee

Status: Select Committee

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

Finance

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

Information and Communications Technology

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

Value For Money

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

Human Resources

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

Transformation Programme

12. To fully evaluate and establish:
- a) A clear statement as to the objectives of the programme;
 - b) A clear understanding as to the scope of the programme;
 - c) A clear understanding as to the budget and financial implications of the programme;
 - d) To document proposals for the ongoing scrutiny required to ensure that the programme continues to be:
 - Meeting the programme objectives;
 - Focused on the identified scope;
 - On schedule; and
 - Within budget

Chairman:

Resources Select Committee (Chairman – Vacant)

2017/18

Item	Report Deadline/ Priority	Progress / Comments	Programme of Meetings
(1) Key Performance Indicators 2016/17 – outturn review	Outturn KPI performance considered at the first meeting of each municipal year.	Outturn KPI performance report for 2016/17 – for 1 st meeting of the year. COMPLETED – July 2017	13 July 2017; 17 October; 19 December;
(2) To review the specific quarterly KPI's for 2017/18	Quarterly.	Review of quarterly performance: Q1 in October 2017; Q2 in December '17; Q3 in Feb. '18	13 February 2018; 03 April
(3) Corporate Plan Key Action Plan 2016/17 – Outturn review	First meeting of each municipal year	Outturn Key Action Plan 2015/16 performance to July 2017 meeting - COMPLETED	
(4) Corporate Plan Key Action Plan 2017/18 – quarterly review	Quarterly	Review of quarterly performance: Q1 October 2017; Q2 December 2017; Q3 February 2018.	
(5) Detailed Portfolio Budgets	Portfolio budgets considered on an annual basis jointly with the Finance & Performance Management Cabinet Committee.	Annual review of portfolio budgets to be considered at joint meeting with the F&P M Cabinet Committee in January of each year.	

(6) ICT Strategy – Progress & Call Handling	Progress against ICT Strategy considered on an annual basis.	Progress report on call/response handling. Also to receive a report on options following introduction of new telephony system. <i>Last update in March 2017 on General IT systems and telephone monitoring statistics.</i>	
(7) Fees and Charges 2018/19	Proposed fees and charges for 2018/19 – for October 2017 meeting.	Proposed fees and charges considered on an annual basis each October.	
(8) Provisional Capital Outturn 2016/17	Provisional outturn for 2016/17 for July 2017 meeting.	Provisional Capital Outturn considered on an annual basis at first meeting in each municipal year. COMPLETED	
(9) Provisional Revenue Outturn 2016/17	Provisional outturn for 2016/17 for July 2017 meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each municipal year. COMPLETED	
(10) Sickness Absence Outturn	July 2017	To review the Sickness Outturn report for 2016 - 17 - COMPLETED	
(11) Sickness Absence	Half-yearly progress reports for 2017/18 to be considered at December and July meetings.	Detailed progress against achievement of sickness absence targets reviewed on a six-monthly basis. <i>Last report received at December 2016 meeting.</i>	
(12) Medium Term Financial Strategy & Financial issues paper	October 2017	To receive the Financial Issues Paper and Medium Term Financial Strategy including 4 year General Fund forecast	

(13) Quarterly Financial Monitoring	Oct 2017; Dec.2017; & February 2018	To receive quarterly financial monitoring reports
(14) Review of Risk management arrangements	March 2017 July 2017	Item from the O&S Co-ordinating Group. To review the trends in claims experience. COMPLETED
(15) Shared Services Working	TBA	To review any shared services working being carried out by EFDC. HR currently working with Colchester and Braintree Councils on a shared HR payroll system. <i>Last update at the December 2015 meeting.</i>
(16) Invest to Save	December 2017	To receive a report updating the Committee on the Council's Invest to Save scheme.
(17) General update on the General Fund CSB, DDF and ITS	December 2017	To receive an updating report on the CSB, DDF and ITS scheme.
(18) Scrutiny of the Transformation Project	Had an Initial meeting on 10 April 2017	Initial meeting to review PICK form and set terms of reference for looking at the Transformation Project. A T&F Panel was subsequently set up to review what the Select Committee would need to review. That Panel has now concluded and will report to the Overview and Scrutiny Committee.
(19) Resources Business Plan 2017	July 2017	That Portfolio Holders present their business plans at the first meeting of the year - COMPLETED

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SCRUTINY



Report to the Resources Select Committee

Date of meeting: 17 October 2017

Subject: Universal Credit

Officer contact for further information: Janet Twinn (01992) 564215

Committee Secretary: Adrian Hendry (01992) 564246

Recommendations/Decisions Required:

That the Committee notes the report on Universal Credit

Executive Summary:

This report is to update Members on the roll out of Universal Credit across the district and the likely effects on the Authority.

Reason for decision:

To update Members on the current position relating to the roll out of Universal Credit and the impact that it will have on the work of the Council.

Options considered and rejected:

That Members are not kept informed of the roll out of Universal Credit and are therefore unaware of the impact that it will have on the Council.

Report:

Universal Credit

1. Universal Credit is a new benefit for people of working age that is slowly being introduced and replaces the following existing benefits;

- | | |
|------------------------------------|----------------------|
| • Jobseeker's Allowance | • Working Tax Credit |
| • Employment and Support Allowance | • Child Tax Credit |
| • Income Support | • Housing Benefit |

It is a single payment made on a monthly basis to cover both living expenses and housing costs. Universal Credit is not paid for the first week of the claim. The payment is made monthly in arrears and is designed to replicate the budgeting required by people who receive a monthly wage. The claimant is then responsible for paying their full rent to their landlord. This is a change for council tenants as Housing Benefit is paid directly to the rent account and not the tenant.

2. The roll out of Universal Credit is continuing and has affected more people in the Epping Forest District from 20 September 2017. Up to that date, in the Epping Forest District, Universal Credit has been restricted to new claims from single people who are jobseekers. However, this is changing as 'full service' is rolled-out throughout the country from July 2017. In the future, couples, families with children and people with disabilities who are of working age, will also be directed to claiming Universal Credit. This means that they can no longer

claim Housing Benefit and they can only get help with their rent through Universal Credit, although there are some exceptions.

3. It is important to note that currently the move to Universal Credit does not apply to people of state pension age and it affects only new claims. Everybody currently receiving Housing Benefit will keep receiving Housing Benefit for the next few years, unless they have a break in their claim. The Government currently anticipate that the existing working age Housing Benefit claimants will move to Universal Credit by 2022, but this date has already been put back many times.

4. There are exceptions to the move to Universal Credit as follows;

- People who have more than 2 children
- People who live in exempt and specified accommodation, ie, accommodation where support is provided by the landlord to tenants who are vulnerable in some way, eg, physical disabilities, mental health issues or drug/alcohol addictions.

People falling into these categories will still claim Housing Benefit. In addition, people receiving Universal Credit who subsequently have a third child will have to claim Housing Benefit and other relevant state legacy benefits (eg Tax Credits or Job Seekers Allowance) instead of Universal Credit.

5. The Council still remains responsible for Local Council Tax Support, and therefore people will have to claim Universal Credit from the DWP for help to pay their rent, and at the same time make an application to the Council for help to pay their council tax.

6. There are currently seven different proposed start dates for full service in the Epping Forest District, although the majority of people will not be affected until September 2018. The start date is dependent upon the postcode and which Jobcentre Plus office is responsible for that postcode. Shown below is a list of the Jobcentres, the proposed start dates and the postcodes. There is mounting pressure on the Government to delay the roll out which is already causing problems for claimants and landlords, so these dates are subject to change if the Government amend the scheduled roll-out timetable. It is already known that the Walthamstow JCP date is likely to be changed but there has been no confirmation of the revised date as yet. The dates are also subject to Statutory Instruments being in force but at the time of writing this report, there is only a Statutory Instrument specifying roll out dates up to 27 September 2017.

Jobcentre Plus office	Start date for full service	Postcodes
Harlow JCP	20/9/17	CM17 0--, CM17 9--, CM18-- 7, CM19 5--, CM21 9--
Waltham Cross JCP	1/11/17	EN8 9--, EN9 2--, EN10 6--
Brentwood JCP	15/11/17	CM4 0--, CM15 0--
Walthamstow JCP	29/11/17	E4 7--
Redbridge JCP	21/2/18	IG7 4--, IG8 0--, IG8 8--
Hertford JCP	13/6/18	EN11 0--

Loughton JCP	12/9/18	CM5 0--, CM5 9--, CM16 4--, CM16 5--, CM16 6--, CM16 7--, EN9 1--, EN9 3--, IG7 5--, IG7 6--, IG9 5--, IG9 6--, IG10 1--, IG10 2--, IG10 3--, IG10 4--, RM4 1--
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7. An additional factor to note is that although someone may make a claim after their post code area has gone live with Universal Credit, they may still be able to receive Housing Benefit. If it is agreed to grant backdated Housing Benefit to commence from a date prior to the post code go live date, they will receive Housing Benefit and not Universal Credit. Housing Benefit can be backdated for up to one month before a claim is made if a person has a good cause for not claiming earlier. Therefore the Council could still be receiving Housing Benefit claims for up to a month after the post code area go live date.

Experiences of other Local Authorities in UC full service areas

8. The full service of Universal Credit has been piloted in some areas for the last couple of years and the Local Authorities involved have been reporting a large number of issues which have had a negative impact on their Authority. This has led to repeated calls to either, delay the roll out, remove housing costs from Universal Credit and continue with Housing Benefit, or even to scrap Universal Credit.

9. Appendix A shows a letter from Rt Hon Frank Field MP, the Chair of the Work and Pensions Committee to Damian Hinds MP, the Minister of State for Employment in which several issues raised by both Croydon Council and Halton Housing Trust were set out. Since that letter, the only issue that seems to be being addressed is the area of communication with landlords, although there is still much improvement to be made. The area of greatest concern is the increase in rent arrears. Great Yarmouth Borough Council have also submitted data to the Work and Pensions Committee regarding their concerns at the increasing level of rent arrears for Universal Credit claimants. At the time of their submission, there were 624 council tenants receiving Universal Credit (10.5% of tenants) of which 364 were in rent arrears and accounted for 25.68% of their total rent arrears.

10. Sedgemoor District Council produced a report 'The impact of Universal Credit in Sedgemoor' in which they highlighted several problems with the Universal Credit claim process and the problems experienced by claimants. These problems include lengthy delays before any payment is made leading to a much higher demand on foodbanks, the lack of digital access by claimants to make their claim, the lack of a bank account by some claimants meaning that they cannot even make a claim, the accrual of rent arrears and the general lack of communication/ability to contact someone to resolve a query.

11. In Essex, both Harlow Council and Southend-on-Sea Borough Council had half their postcodes move into full service in July 2017 and the remainder of their postcodes on 20 September. As the numbers of Universal Credit claimants in the full service since that time has been very low, there has been very little impact so far on those Councils.

Identified future problems for Epping Forest

12. From the Universal Credit pilots that have been ongoing for the last couple of years there have been many problems identified with the Universal Credit process.

13. Of greatest concern is the effect on rent arrears. Recent reports in the press following a Freedom of Information request, indicate that of the current council tenants in the pilot areas receiving Universal Credit, 50% are in one month's arrears with their rent, whilst 30% are at

least two month's in arrears with their rent. This compares to under 10% of Housing Benefit claimants in one month's rent arrears, and under 5% in two month's rent arrears. For the first week of the claim, no payment is made. This immediately puts a tenant into one week's rent arrears. The claimant then has to wait at least 6 weeks before Universal Credit is put into payment. During this period, claimants are getting into debt and resorting to food banks to tide them over. When the payment is made, they do not always then pay their rent but either pay off their debts or spend the money elsewhere. 6 weeks is the minimum wait for a payment but frequently it is much longer. Claimants can ask for an advance payment whilst they are waiting for their first payment, which can be up to 50% of the indicative Universal Credit amount. This is then recovered by deducting the amount from their future payments. However, many people in low paid employment are not used to budgeting on a monthly basis as they are paid weekly, and if then they are made unemployed and claim Universal Credit, they would have just one weeks wages to last them at least 6 weeks before they receive a regular payment. In addition, for Councils like Epping Forest that have retained their housing stock, tenants are not used to receiving money and having to pay their rent themselves. Housing Benefit has always been paid directly to their rent account and therefore some tenants may not appreciate that they have to pay their full rent out of their monthly Universal Credit payment. Every pilot area has reported a significant increase in their rent arrears and therefore a similar trend should be expected in the Epping Forest District. Alternative Payment Arrangements (APA's) can be requested by landlords if the tenants have more than 8 weeks rent arrears or if the tenant is identified as being incapable of managing their finances, but such arrangements have been taking several weeks before the payment is changed to the landlord, during which time the tenant has accrued substantial rent arrears.

14. Another area of great concern is for tenants who are placed by the Council in Bed and Breakfast accommodation. When the first Universal Credit payment is made, it is based on the claimant's circumstances at the end of that 6th week. Therefore, if someone is placed in Bed and Breakfast accommodation and claims Universal Credit, and then is moved to a Council property after 4 weeks, they will only receive 5 weeks housing costs based on the rent for the Council property. As this rent is much lower than the rent for the Bed and Breakfast accommodation, and also that they do not receive a payment for the first week, they will not have the money to pay their liability to the Council for the period that they were in Bed and Breakfast accommodation. As the Council has a duty to move any families with children out of Bed and Breakfast accommodation within 6 weeks, there will undoubtedly be significant rent arrears for this group of vulnerable tenants and no way of paying off those arrears. Even if the claimant remains in Bed and Breakfast accommodation for more than 6 weeks, the claimant will only receive the Local Housing Allowance amount towards their rent liability. This again will be significantly less than their rent liability. As an example, a single person would be charged £1277 per month in Bed and Breakfast accommodation and be paid a maximum amount of £326.54 per month if the hotel is in Ilford or £304.69 per month if the hotel is in Epping or Harlow. Currently Housing Benefit is paid on the full rent amount for tenants in Bed and Breakfast accommodation apart from fuel costs and breakfast which are ineligible for Housing Benefit. Up to now, tenants placed in Bed and Breakfast accommodation have therefore not accrued the level of rent arrears that they will do through Universal Credit. Before the General election in May 2017, the Government indicated that they intended to remove such temporary accommodation from Universal Credit and this was expected to be in October 2017. However, there has been no move to date to change the legislation.

15. For people who work and are paid weekly, they are finding it very difficult to budget. Universal Credit is assessed monthly and the payments can therefore differ from month to month. As Universal Credit takes into account payments received in a month, people that are paid weekly rather than monthly may receive 4 weekly payments in a month or 5 weekly payments in a month. We have seen cases where a person is receiving Universal Credit one month but the next month either their Universal Credit income drops significantly or stops altogether because their income is seen to increase dramatically because they receive 5 weekly payments in that month. This makes it extremely difficult to budget properly as claimants do not necessarily know what their income is going to be from month to month. This problem has never arisen with Housing Benefit as all income is calculated on a weekly basis. These changes in income from month to month also lead to problems with Local Council Tax

Support as Council's are notified of an income change each month and have to recalculate Local Council Tax Support each month. This means that people can receive a new Council Tax bill each month with different payment plans. This is the reason why we are currently consulting on introducing fixed periods for Universal Credit recipients in our Local Council Tax Support scheme for 2018/19. This will at least enable people to know what their Council Tax payments will be over a six month period and help them to budget.

16. The DWP expect Local Authorities to offer Personal Budgeting Support to people receiving Universal Credit. The local Jobcentre Plus should be asking claimants if they require advice with budgeting and then referring them to the Council. The Benefits Division has 2 trained Officers who can give budgeting advice, but it seems that people claiming Universal Credit do not want any budgeting advice. Since the Universal Credit live service commenced in February 2016, we have not had one referral from the local Jobcentre Plus. In addition to the Personal Budgeting Support that we can offer, the Benefits Division also has Foodbank vouchers that we can give to people who have no money to buy food.

17. The DWP also expect Local Authorities to assist people with making claims for Universal Credit. Applications can only be made on-line and the pilot areas have found that there are a lot of people who are either not IT literate and/or have no access to computers to enable them to make an application for Universal Credit. The Benefits Division does have the ability to help such people to claim but cannot answer queries about entitlement. As everything for Universal Credit has to be done on-line and it is the claimant's data, the DWP will not allow Local Authorities any access to the data. This makes it extremely difficult to give guidance if anyone comes to the Council with a query about their Universal Credit entitlement. Universal Credit is not administered by local DWP centres but the claim could be processed anywhere in the United Kingdom. Likewise, when any enquiry is made, it could be dealt with by any service centre in the United Kingdom and you never speak to the same person twice.

18. Another problem that Southend-on-Sea Borough Council identified with the claim process when they visited the London Borough of Sutton was that it is essential that people are accurate with data when making an on-line application. For example, when a claimant is prompted for their rent details, if they put in the wrong amount by even £0.01, the claim is delayed, even though the DWP have the true rent evidence from the landlord.

19. Landlords in the pilot areas have been very critical of Universal Credit as they have found that the rent arrears for their tenants have significantly increased. The communications between the DWP and landlords has been poor and the DWP has recently introduced a landlord portal for the landlord to provide rent information but this will not do much to reduce the amount of rent arrears. Landlords are of the belief that payments should not automatically be made to tenants as many tenants do not pay their rent when they receive their monthly payment. Although the monthly payment is intended for both their living costs and their rent costs, it is often all spent on living costs. This has led to landlords in many of the pilot areas now refusing to accept any Universal Credit claimant as a tenant. If the same happens in the Epping Forest District, there will be a serious impact on the Housing Options team as there will be less available accommodation in the private rented sector.

20. Although Universal Credit is meant to eventually replace Housing Benefit for people of working age, the Authority will still be responsible for paying Housing Benefit to people of pension age, people of working age in exempt specified accommodation and, if the law is changed as expected, to people of working age in temporary accommodation. Again, until the law is changed, we will also remain responsible for paying Housing Benefit to families with 3 or more children. In addition, the Authority still retains responsibility for Local Council Tax Support so Universal Credit claimants must claim help with living and rent costs from the DWP and from the Local Authority for help with their Council Tax. As most claimants in the existing caseload pay both rent and Council Tax, the overall caseload is not expected to reduce.

21. In addition, the Local Authority is still responsible for Discretionary Housing Payments, both for Housing Benefit recipients and for Universal Credit recipients. This could create problems when assessing an application from someone receiving Universal Credit as we

would not necessarily have any background information, nor any information about their rent, nor the ability to have any access to information about their Universal Credit rent costs payment. This will mean that we will require more information from the claimant than we currently require. It is also anticipated that there will be a greater demand for Discretionary Housing Payments than there is currently.

Consultation undertaken:

None

Resource implications:

Budget provision: Reduction in Housing Benefit Administration Grant from the DWP
Personnel: Within existing budgets
Land: None

Community Plan/BVPP reference: N/A
Relevant statutory powers: N/A

Background papers: None
Environmental/Human Rights Act/Crime and Disorder Act Implications: None identified
Key Decision reference: (if required)



Work and Pensions Committee

14 Tothill Street, London SW1H 9NB

Tel 020 7219 5831 Email workpencom@parliament.uk Website www.parliament.uk/workpencom

30 January 2017

Damian Hinds MP
Minister of State for Employment
Department for Work and Pensions
Caxton House
Tothill Street
London SW1H 9DA

Dear Damian

UNIVERSAL CREDIT

As you will be aware, the Committee held an evidence session on Universal Credit on 23 January. It is clear from what we heard that there remains much to be done before Universal Credit is working well for claimants and those organisations working with them. We therefore continue to support the Department's approach of rolling out the full Universal Credit service slowly. Nevertheless, the witnesses highlighted several issues which we would like the Department to comment on.

UNIVERSAL CREDIT CLAIMANTS AND RENT ARREARS

We were concerned to hear that Universal Credit claimants living in rented accommodation are more likely to be in rent arrears than other tenants. Croydon Council told us that:

- Rent collection for council tenants in receipt of Universal Credit has declined from 98 per cent to 72 per cent; and
- Whereas under 10 per cent of tenants are claiming Universal Credit, they account for 38 per cent of Croydon's total rent arrears.¹

Similarly, Halton Housing Trust reported that:

- 920 of its 1,058 tenants claiming Universal Credit were in arrears; and
- While 9 per cent of tenants claimed Universal Credit, they account for 37 per cent of Halton's rent arrears.²

1. Does the Department monitor the impact of Universal Credit on rent arrears, and what changes have you made in response to the findings?

¹ Written evidence from London Borough of Croydon

² Q36; written evidence from Halton Housing Trust



Witnesses told us that these problems could be managed more effectively if the Department communicated with landlords better. They noted, however, that it is more cumbersome for landlords to communicate with the Department regarding claimants under the full Universal Credit service, which makes it difficult for landlords to expedite cases when problems arise. For example:

- Halton Housing Trust told us that some of the positive elements of the live service are not mirrored in the full service, such as the provision of a dedicated landlord line.
- There are also restrictions on what and when information can be exchanged, because the implicit consent process that operates for both live service and other benefits' claimants does not work for full service claimants.

We were told that communications might be improved by bringing forward roll-out of the Landlord Portal.³

2. What barriers inhibit the flow of information between the Department and landlords, and would assuming implicit consent for full service claimants help overcome these?

3. Why does the Department not provide a dedicated landlord line for the full Universal Credit service, and does it plan to provide one in the future?

4. What benefits will the Landlord Portal provide, and has the Department considered bringing forward its implementation?

The default arrangement under Universal Credit is that housing costs are paid to claimants, but we heard that in certain circumstances there is an alternative payment arrangement, Managed Payments, whereby this is paid directly to landlords. When this system works well, it gives landlords confidence that they will receive their rent, and we heard calls that Managed Payments be mandated in a wider range of circumstances.

The effectiveness of Managed Payments is undermined, however, by problems such as:

- Delayed or irregular payments to landlords. For example, Halton Housing Trust told us that average delays of three to four weeks occurred between Managed Payments amounts being deducted from claimants and being received by landlords; and
- Landlords receive a single bulk payment for all tenants, which they have difficulty reconciling with individual accounts.⁴

³ Qq34-35, 60; written evidence from Halton Housing Trust

⁴ Qq57-60; written evidence from Halton Housing Trust



5. Has the Department evaluated how efficiently Managed Payments to landlords are working?

6. Does the Department plan to allow or mandate the use of Managed Payments in a wider range of circumstances?

UNIVERSAL CREDIT AND CLAIMANTS IN EMERGENCY, NIGHTLY PAID, TEMPORARY ACCOMMODATION

Croydon Council told us about the tension between getting people out of emergency, nightly paid, temporary accommodation within six-weeks, and Universal Credit's requirement of minimum six-week tenancy to get housing costs. The ombudsman fines councils for each week someone remains in such accommodation beyond six weeks. But removing people from such accommodation earlier makes them ineligible for housing costs under Universal Credit, meaning that any accrued rent arrears must be written-off or met by the Council from alternative budgets.

- In Croydon, rent collection from Universal Credit claimants in emergency temporary accommodation has fallen from 91 per cent to 59 per cent, which is an annual cost to taxpayers of £2.5 million.
- We were told that two other London Boroughs where full Universal Credit service is operating, Sutton and Southwark, had seen similar patterns.

This issue affects a particularly vulnerable group of claimants, and it can exacerbate problems as households are burdened with a history of rent arrears, and face the risk of family break-up, with the emotional and financial costs this entails.⁵

7. As the Department already provides help outside of Universal Credit towards housing costs for those living in supported 'exempt' accommodation, have you considered extending this arrangement to people in emergency, nightly paid, temporary accommodation?

8. What plans has the Government got to resolve the incompatibility between Universal Credit rules and council obligations to rehouse people out of emergency accommodation within six weeks?

SLOW AND INACCURATE PAYMENTS

We heard that people who claim Universal Credit can struggle to cover the five to six week wait between their application and them receiving their first payment.

- Some claimants have transferred from other benefits, such as ESA, where payment cycles are less than monthly.
- Others, who have lost their jobs, had been paid weekly, so are expected to make a week's wages cover up to six weeks' expenditure.

⁵ Qq20-26; written evidence from London Borough of Croydon



While the Department does offer advance payments, these are poorly flagged to claimants, yet their award is dependent on claimants requesting them.⁶ Any advance is then repaid through deductions to the claimant's regular Universal Credit payments, meaning that for several months they have less than their full award to live on.

9. How many Universal Credit applicants have no money while waiting for their first payment?

10. How many advance payments has the Department awarded to Universal Credit applicants, and what is their total value?

11. In how many cases has the Department used its discretion to pay claimants more frequently than monthly, and in what circumstances has this happened?

We were concerned to hear that some claimants wait longer than they should before the Department has correctly processed their claim, resulting in stress and hardship. We were told that:

- In Croydon "on average it is about 12 weeks before any form of payment is awarded".
- The housing element of a claim is sometimes not included at first.
- Both Croydon Council and Halton Housing Trust had encountered problems of inconsistent and inaccurate payments.
- Decision makers are overly reliant on information from RTI when assessing claims, even when there is compelling evidence that these data are incorrect.

These factors can cause rent arrears and, potentially, landlords initiating recovery action.⁷

12. What is the average wait for Universal Credit claimants before they receive their first payment?

13. What percentage of claimants have waited more than 42 days for their first payment? What is the longest someone has had to wait? Please provide a breakdown by week of the numbers of claimants who have waited more than 42 days for their first payment.

14. How many Universal Credit awards have been corrected because the initial calculation wrongly omitted elements?

15. How many Universal Credit awards have been corrected because RTI information was inaccurate?

⁶ Qq8-10

⁷ Qq8, 18, 68, 70



We recognise that mistakes will sometimes occur, but heard that the Department could do more both to prevent this, and to rectify errors in an equitable way. Witnesses told us that:

- Overpayments have arisen because of poor communications within the Department when people had transferred to Universal Credit from legacy benefits.
- But when such official errors occur, they thought the Department's priority seemed to be recovering the overpayment as quickly as possible by applying the maximum 40 per cent recovery rate, rather than using its discretion to set a more affordable rate.⁸

16. How many Universal Credit claimants have been under- or overpaid because of official errors? What is the total and average value of these official errors?

17. When overpayments have occurred, in how many cases has this been recovered at the maximum 40 per cent recovery rate, and in how many has the Department used discretion to set a lower recovery rate?

THE EFFECTIVENESS OF UNIVERSAL CREDIT FOR CLAIMANTS WITH MORE COMPLICATED CIRCUMSTANCES

We are concerned about the lack of evidence regarding how effectively Universal Credit is performing at getting claimants who have more complicated circumstances, including couples, families and disabled people, into work. We accept that alongside making sure work pays, conditionality and sanctions are an important part of the Universal Credit regime. But both the carrot and the stick must be pitched appropriately if Universal Credit is to achieve the Department's intended outcomes.

- The Resolution Foundation told us that Universal Credit has weak cash-incentives for encouraging lone parents and second earners into employment.⁹
- The Child Poverty Action Group told us about inappropriate in-work conditionality requirements, and Halton about a cancer patient who was receiving chemotherapy being expected to spend 35 hours a week looking for work.¹⁰
- We heard that delays in work capability assessments of up to ten months had resulted in claimants not receiving payments they are entitled to and the Department imposing inappropriate conditionality requirements on them in the meantime.¹¹
- We also note that the National Audit Office recently reported that how people respond to sanctions is uncertain, and that the Department has not used its data to evaluate the impact of sanctions.

⁸ Qq31-32, 68

⁹ Qq13-14

¹⁰ Qq48, 53

¹¹ Qq70-71



- 18. What assessment has the Department undertaken of Universal Credit's effectiveness in getting people with more complicated circumstances into work, and when will this be published?**
- 19. What monitoring does the Department undertake to ensure that timely and appropriate conditionality requirements are being applied which reflect each Universal Credit claimant's circumstances?**
- 20. In the light of the recent NAO report on benefit sanctions, what evaluation is the Department planning on the effectiveness of Universal Credit sanctions?**

We look forward to receiving your responses.

With thanks and best wishes,

Rt Hon Frank Field MP
Chair

Report to the Resources Select Committee

Date of meeting: 17 October 2017

Portfolio: Finance

Subject: Quarterly Financial Monitoring

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

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



Recommendations/Decisions Required:

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

Executive Summary

The report provides a comparison between the original estimate for the period ended 30 June 2017 and the actual expenditure or income as applicable.

Reasons for proposed decision

To note the first 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 first quarterly report for 2017/18 and covers the period from 1 April 2017 to 30 June 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 £144,000 or 2.5%. At the first quarter last year the underspend was 3.6%.
4. Resources is showing the largest underspend of £92,000, this relates mainly to Revenues and Housing Benefits. Communities shows an underspend of £37,000 relating to Communities Policy as the Assistant Director – Private Sector Housing post became vacant during the period, and Housing Management.

5. The investment interest is broadly on target with the budget. Interest rates are now only a little over 0.1% and money is primarily being held short term because of the significant capital commitments coming up. There is little prospect of any significant changes in interest rates, even over the medium term.
6. Development Control income at Month 3 is down on expectations. Fees and charges were £49,000 lower than the budget to date and pre-application charges are £7,000 higher than expected. There have been few major schemes come through so far this year and this may be due to developers awaiting the publishing of the Local Plan. Fees have recovered slightly during July but not significantly.
7. Building Control income was £33,000 higher than the budgeted figure at the end of the first quarter. By the end of month 4 income was £47,000 higher. If Building Control income is going to be affected by the Local Plan publication it will be rather later than Development Control. The ring-fenced account has assumed a deficit of £129,000 for this year due to the amount of scanning work required, however based on income levels to date this looks likely to be better than expected.
8. Although Public Hire licence income and other licensing is above expectations, the Public Hire figures shown include £27,000 relating to future years so in reality income relating to 2016/17 is £7,000 down.
9. Income from MOT's carried out by Fleet Operations is in line with expectations. The service has now been located at Oakwood Hill depot for about a year so the uncertainties experienced previously should now have been overcome. The account is budgeted to show a deficit of around £62,000 however this included an estimate for business rates which has proved to be too high and this alone should reduce this deficit to less than £50,000. The report on options for joint occupation of the depot is going to Cabinet on 7 September and the Director of Neighbourhoods is doing a report on the overspend on the construction of the depot for Cabinet on 12 October.
10. Car Parking income appears broadly on target with expectations at month 3, though there will be some income relating to the first quarter that was received in month 4.
11. Local Land Charge income is £3,000 above expectations. The budget had been reduced in the prior year as there have been fewer searches undertaken recently.
12. Expenditure and income relating to Bed and Breakfast placements is 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. Growth of £28,000 was allowed for in 2016/17 with a further £12,000 in 2017/18. The 2016/17 actual was nearer the 2017/18 original position than the revised 2016/17 and there are no signs of expenditure levels abating. Some new initiatives are being pursued in an effort to stem the increase and additional government funding in the form of Flexible Homeless Grant is being used to fund programmes such as the Zinc Arts scheme in Ongar.
13. There was no recycling credit income in the first quarter. Income was up to date by early August, though slightly down on expectations.
14. The waste and leisure management contracts show some underspend due to timing. The latter particularly, as payments didn't commence until July.
15. The Housing Repairs Fund shows an underspend of £62,000. 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.
16. Income from Building Control and probably Car Parking look likely to exceed the budget.

Others are less certain. MOT income is in line with expectations and Development Control is 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 June the total collected was £9,995,028 and payments out were £8,596,002, meaning the Council was holding £1,399,026 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

Capital Budgets (Annex 7 - 11)

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the three months to 30 June. There is a commentary on each item highlighting the scheme progress.
22. The full year budget for comparison purposes is the Original Budget updated for carry forwards, due to 2016/17 slippage.

Major Capital Schemes (Annex 12)

23. There are three 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 broadly on track 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 3.

Consultations Undertaken

This report was presented to the Finance and Performance Management Cabinet Committee during September. At that meeting some concern was expressed regarding MOT income levels.

Resource Implications

There is little evidence to suggest that the net budget will not be met.

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
02/10/17 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.

JUNE 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>TO 30/06/17</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 30/06/16</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	118	131	-9.9	66	65	1.5
RESOURCES *	1,405	1,497	-6.1	1,385	1,463	-5.3
GOVERNANCE *	910	907	0.3	898	919	-2.3
NEIGHBOURHOODS *	1,261	1,266	-0.4	1,178	1,231	-4.3
COMMUNITIES *	1,945	1,982	-1.9	1,875	1,928	-2.7
TOTAL	5,639	5,783	-2.5	5,402	5,606	-3.6

* Agency costs are included in the salaries expenditure.

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

	17/18 Full Year Budget £'000	First 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>							
Museum	125	60	59	69	-1	-2	There are no major variances.
Bed & Breakfast Accommodation	271	67	124	21	57	85	The anticipated increase in caseload has been exceeded and this is expected to continue. As a result, expenditure in the first quarter is higher than expected but rental income has also risen during the same period, as seen below.
Grants to Voluntary Groups	88	1	0	18	-1	-100	It is difficult to accurately forecast expenditure patterns from year to year as timings are dependent on the receiving organisations providing the necessary information to enable grants to be released. As a general rule, however, expenditure is low in the first quarter as grant release tends to be slow initially. Given the forecast profiling for the current financial year, no major variances have occurred.
Voluntary Sector Support	174	93	93	93	0	0	There are no variances.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	280	70	117	37	47	67	Rents are higher than expected due to the increased caseload.
	938	291	393	238			

	17/18 Full Year Budget £'000	First 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	1,098	260	218	263	-42	-16	The first quarter of 2017/18 has seen reduced levels of fee income compared to the first quarter of the previous year and the budget to date. This is possibly because major developers are awaiting the publication of the Local Plan prior to submitting any planning applications within the district.
Building Control Fee Earning	450	126	160	149	34	27	Uncertainty in the housing market is having a positive effect on the Building Control fees which has exceeded the profiled budget and the previous year actual. In addition, the Building Control service have formed a number of partnerships with outside bodies helping to resist the threat of competition from the commercial sector.
Local Land Charges	164	46	49	45	3	7	The actual at quarter one is on target with the budget and the previous year comparative.
	1,712	432	427	457			

	17/18 Full Year Budget	First Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget	17/18 Actual	16/17 Actual			
		£'000	£'000	£'000	£'000	%	
Major expenditure items:							
Refuse Collection	1,417	231	217	141	-14	-6	} The in year variance is due to timing differences in phasing of contract payments. A difference arises between the two years due to the contractor now being paid by Direct Debit at the start of the month following the works being carried out,
Street Cleansing	1,375	215	203	87	-12	-6	
Recycling	2,870	469	441	288	-28	-6	
Highways General Fund	62	6	1	7	-5	-83	} The level of replacement of street furniture and litter bins is hard to predict and hence causes timing differences on expenditure.
Off Street Parking	442	176	137	213	-39	-22	
North Weald Centre	207	77	69	64	-8	-10	} In 2016/17 NEPP was the contractor for administering the Off Street Parking service and had charged £68,000 in the first quarter. This financial year the new contractor had submitted no invoices to date.
Land Drainage & Contaminated Land	208	14	9	3	-5	-36	
	6,581	1,188	1,077	803			} A great deal of expenditure on this heading is for maintenance items.
							} This is a maintenance driven budget and has a volatile pattern of spend.

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	17/18	First Quarter			17/18		Comments
	Full Year	17/18	17/18	16/17	Variance		
	Budget	Budget	Actual	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning/Local Plan	1,248	96	38	31	-58	-60	The Cabinet will receive an update on the scheduling of the Local Plan and its financing in October.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-158	-26	0	-47	26	-100	
Epping Sports Centre	234	39	0	26	-39	-100	
Waltham Abbey Pool	8	1	0	87	-1	-100	
Ongar Sports Centre	98	16	0	50	-16	-100	
	182	30	0	116			

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	17/18 Full Year Budget £'000	First Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
Major income items:							
Refuse Collection	77	19	19	16	0	0	No major variances.
Recycling	1,485	0	0	0	0	0	Recycling credit income is always slow to materialise in the first quarter of the year.
Off Street Parking	1,415	254	256	219	2	1	No major in year variance. The variance between years arises due to the timing of the receipt of Penalty Charge Notices and Telephone Banking since taking the contract away from NEPP.
North Weald Centre	812	293	320	296	27	9	All income streams are ahead of estimates at present, but the main increase is due to a rent increase on Market Rents from January 2017 of £50,000 per annum.
Hackney Carriages	181	54	52	57	-2	-4	No major variances
Licensing & Registrations	114	12	13	12	1	8	No major variances
Fleet Operations MOTs	205	51	52	46	1	2	The relocation of the service to Oakwood Hill has now been completed and the income is showing signs of recovery.
	4,289	683	712	646			

	17/18 Full Year Budget	First Quarter			17/18 Variance Budget v Actual			<u>Comments</u>
	£'000	17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000		%	
<u>Major income items:</u>								
Industrial Estates	1,259	588	670	547	82		14	A revision of leases at Brooker Road have brought larger rental income than originally anticipated.
Business Premises - Shops	2,204	1,102	1,073	1,080	-29		-3	No major variances.
Land & Property	215	29	8	8	-21		-72	The lease on the David Lloyd Leisure Centre has been revised, and to date no rental income has been invoiced. This will be recovered shortly with increased rental income received.
	3,679	1,719	1,753	1,635				

	17/18 Full Year Budget £'000	First Quarter			17/18 Variance Budget v Actual			Comments
		17/18 Budget	17/18 Actual	16/17 Actual	Budget v Actual			
		£'000	£'000		£'000	%		
Major expenditure items:								
Building Maintenance	582	50	37	46	-13	-26		Expenditure fluctuates from one year to another 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 but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The actual spend to date at quarter one is lower than the previous year due to some planned maintenance works placed on hold pending the outcome of the next stage of the accommodation review in November/December.
Information & Communication Technology	1,003	695	694	558	-1	0		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 is in line with the current budget spending profile as the renewal of maintenance contracts for the Councils systems are paid at the beginning of the year with network and consultancy charges continuing to be paid throughout the year.
Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates)	280	70	87	72	17	0		2017/18 has seen a further increase in the number of homeless people placed in Bed and Breakfast accommodation compared to the previous year. Whilst some growth was included in the original budget this will need reviewing during the forthcoming budget process
Bank & Audit Charges	122	1	1	1	0	0		No significant expenditure occurs in either audit or bank charges until quarter 2.
	1,987	816	819	677				
Major income items:								
Investment Income	194	49	51	83	2	4		No major in-year varaince. The variance between years arises due to lower interest rates now being received and reducing investment balances as capital schemes progress.
	194	49	51	83				

	17/18 Full Year Budget £'000	First 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>							
Management & General	289	51	25	40	-26	-51	Expenditure is lower than expected in the first quarter of 2017/18 due to less spend on consultants' fees within the Policy & Management budget than originally anticipated.
Housing Repairs	6,063	653	591	819	-62	-9	This underspend relates to expenditure on both planned maintenance (£41,000) and responsive repairs (£33,000). However, expenditure on voids was marginally higher than anticipated. 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.
Special Services	1,108	235	203	186	-32	-14	The largest underspend in this section relates to tree felling within the grounds maintenance budget. Other areas showing an underspend include utility costs and caretaking and cleaning.
	7,460	939	819	1,045			
<u>Major income items:</u>							
Non-Dwelling Rents	893	221	205	218	-16	-7	The reduction in income relates to garage rents.
Gross Dwelling Rent	31,613	7,903	7,876	7,939	-27	0	The reduction in rental income from dwellings this financial year compared to 2016/17 is due to the rent decrease of 1% from April 2017, combined with reduced stock numbers due to the high number of Right To Buy sales last year. Void levels are around 1%, running broadly in line with expectations.
	32,506	8,124	8,081	8,157			

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

Scheme	17/18	First Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
2nd Floor Bridgeman House	177	0	0	0	0	The original use of this budget was to purchase office space on the second floor of Bridgeman House, above the Museum, to facilitate relocation of the Community Services team and to use as a new storage facility for the Museum Reserve Collection. Since the budget was set up the purchase of the office space has become unviable, however the Council is still actively seeking another suitable option. From the original budget of £297,000, cabinet agreed to reallocate £120,000 to fund the second phase of the Price Waterhouse Cooper Accommodation Review (see Annex 9).
CCTV Systems	87	11	11	0	0	The installation of the Limes Farm Automated Number Plate Reader (ANPR) at the entrance of the estate for community safety purposes was installed in quarter 1; whilst works to replace the failing CCTV systems at the old Bobbingworth Tip site is expected to be carried out in quarter 2 on behalf of the Flood Alleviation team (see Annex 8). The complex nature of the Epping High Road system, including conservation and signaling issues, has previously caused this scheme to be delayed. However, works are now expected to progress in the latter stages of the financial year with the Council currently awaiting the assessment from the Wi-Fi designer company and the results of the planning application submitted for the erection of columns. The Council is pursuing options to integrate costs for a new system at the Hill House development site into the leisure contract; additional cameras which will cover the shopping parade and Council owned housing estates will be in addition to these costs. There are currently various issues at the development site including antisocial behaviour and this has prompted the use of rapid deploy cameras in the area. However two of these cameras have been stolen with another being vandalised. The Council is currently proceeding with recovery efforts through the insurance company.
Car Park CCTV Systems	54	0	0	0	0	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. Cornmill and Quaker Drive are ready to tender but will need to be installed after the LED lighting which could cause delays. It is expected that works on surface trenching and the installation at these two sites could be completed in quarter 3, whilst Darby Drive is currently awaiting a planning application for new columns in the car park and will be completed by the end of the financial year. The budget is expected to cover the costs of 3 of the 7 remaining car parks. It is likely that an additional allocation will be sought for the last 4 carparks.
Housing Estate Parking	550	0	0	0	0	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 expenditure is anticipated to be very low therefore the 2017/18 budget will be re-assessed in quarter 3 as part of the Capital Review.
Total	868	11	11			

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

Scheme	17/18	First Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park	6,592	2,197	2,031	-166	-8	Please see major scheme tab for details on this scheme. This budget refers to the construction works. Glyn Hopkin Ltd (GHL) operate a motor car dealership located on the corner of Brooker Road/Cartersfield Road in Waltham Abbey. 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. With the acceptance of the new lease the rent of the premises has increased with 5-yearly upward-only rent reviews. The variance for this scheme includes additional costs relating to legal fees & stamp duty fees which were funded by EFDC after the Cabinet report was submitted, but were not identified in the original structure of the lease.
Gyn Hopkin Expansion	990	990	1,042	52	5	
Hill House Development	130	0	0	0	0	EFDC has entered into a Section 106 agreement to provide compensatory facilities as the development of the new Leisure Centre (as well as the Hill house Centre and Independent Living Scheme) will mean a loss of sports pitches in the area. EFDC are required to undertake a playing pitch strategy to identify the best location for spending the S106 contributions. This strategy is not due for completion until early in the 2018/19 financial year and therefore the budget will be carried forward as part of the Capital Review to be submitted in December 2017.
Car Park Schemes	277	0	0	0	0	This section comprises of 4 different schemes. 1) After adopting the enforcement of the Lea Valley car park, works to install pay and display machines in the car park have been progressing slowly, however a legal agreement will be signed shortly allowing design works to commence. The legal documentation to enforce penalty charges has been published for the Council's three new car parks in Oakwood Hill and Loughton with the enforcing penalty charges notices going live in August. Pay and display machines have been purchased however, the Council is awaiting quotes for the relining and signage works for the car parks. A review of the installation of the pay and display around the district's existing car parks will be undertaken to assess whether any further installations are required. This budget is expected to be underspent and will be reassessed as part of the Capital Review. 2) Traps Hill car park in Loughton has been upgraded with new LED lighting with the next phase of the project, consisting of three car parks in Waltham Abbey, awaiting final quotes for the works before proceeding. 3) A consultancy team have been appointed to advise on the demolition of some garages and designing of the car park to maximise spaces and to assist with the planning. 4) The final scheme relates to the installation of new 4G pay and display machines that allow real-time remote monitoring. This scheme is progressing well with all machines identified likely to be replaced by the end of the financial year.
Other Schemes	96	0	0	0	0	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. 2) Ground Maintenance vehicle replacement scheme is currently awaiting delivery of a new mower whilst quotes for a new truck to replace an ageing fleet are being collected. 3) Flood alleviation works to replace the failing CCTV systems at the old Bobbingworth Tip site is expected to be carried out in quarter 2, whilst other works to flood risk assets are currently being assessed. 4) Finally, the "Invest to Save" scheme to extend the vehicle compound at the North Weald 240 building is currently awaiting planning permission before works on the compound extension can begin.
Total	8,085	3,187	3,073			

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

Scheme	17/18	First Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
On Hold Planned Maintenance Projects	604	0	0	0	0	Many of the schemes in the planned maintenance programme relating to the civic offices have been placed on hold pending the outcome of the Accommodation Review. Expenditure will be limited to some minor design works. This section includes the schemes within on buildings that do not fall under the scope of the accommodation review. During quarter 1 there has been no spend 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. However, after a positive asbestos survey, works on the Waltham Abbey's Museum reroofing & chimney stacks are ready to commence in September. The installation of the amplifier racks for the fire alarm speakers and the new smoke and heat detectors in the civic offices are expected to be completed in quarter 3; as is the replacement windows scheme at North Weald Gatehouse. After receiving the results of a health and safety audit on the Town Mead depot, works to the toilets, fencing and other refurbishment works have been identified. Although the fencing works around the Town Mead depot parameter are expected to commence in quarter 3, the original specification for the works has changed resulting in delays. The software upgrade to the Trend Building services that will allow Facilities Management to remotely control the heating systems of the Civic offices and the sheltered housing around the district will be completed by the end of the financial year. There is a shared responsibility between the HRA and the General Fund for works on roofs and balconies for investment properties that have housing units above them. This year it is expected that the costs recharged to the General Fund is likely to cause some overspends to the current budget in place; this will be addressed as part of the Capital Review.
Active Planned Maintenance Projects	378	0	0	0	0	
ICT Projects	415	82	86	4	5	Overall the ICT schemes are currently progressing well with several schemes being completed in the 1st quarter; however some projects have been delayed or put on-hold awaiting the recommendation of the Accommodation Review. The upgrade of cash receipting system, the extension of the storage area network and the purchase of the SQL server and Blackberry “Good” licenses have all been completed. It is expected that this progress will continue in quarter 2 with works to upgrade to the Gazetteer's corporate address database highlighted after the loss of support and development from Oracle, and the scheme to install a reverse proxy which allows internal systems to connect to the Council's servers securely both expected to be completed. The pilot to upgrade the Citrix server for the use of virtual PC's and desktops has been identified as a potential carry forward as has the mobile working schemes for staff who frequently do site visits. These will be assessed as part of the Capital Programme Review to be submitted in December 2017.
HR/Payroll System	20	0	0	0	0	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 expected to be paid in quarter 2.
Transformation Projects	120	0	0	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 to cover these costs (see Annex 7). No payments are expected before the end of the calendar year.
Total	1,537	82	86			

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

Scheme	17/18	First Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Housebuild Phase 1	1,155	693	516	-177	-26	Please see major scheme tab for details on this scheme.
Housebuild Phase 2	8,131	1,478	656	-822	-56	Please see major scheme tab for details on this scheme.
Housebuild Phase 3	4,920	895	423	-472	-53	Please see major scheme tab for details on this scheme.
Other Housebuilding	707	177	54	-123	-69	As a moratorium was in place on the housebuilding programme beyond Phase 3, no budgets were approved in February for Phases 4 to 6. Since then the moratorium has been lifted and allocations will be included in the capital programme as part of the Capital Review in the autumn. The budget of £707,000 shown here represents the remaining allocation in respect of the Barnfield development where hand-over of the 8 affordable rented houses built as part of a S106 development by Linden Homes is due around November. Regarding Phases 4 to 6, planning permission has been granted for 22 sites, which when developed will deliver 58 new homes. Four sites are yet to be granted planning permission, which if approved will deliver a further 34 homes. This leaves 13 sites where planning permission has been refused. The Council House-building Cabinet Committee has yet to decide on what they want to do with these sites, but one option is to sell them on the open market and use the capital receipt to fund the house-building programme .
Housing Conversions	0	0	-27	-27	0	The conversions at Marden Close and Faversham Hall were completed in 2015/16, and retentions totally £27,000 are still outstanding.
North Weald Depot	3,189	0	0	0	0	The previous decision of the Cabinet to build a purpose built a Repairs and Maintenance Hub has been put on hold pending the outcome of a feasibility study into relocating the Housing Repairs Service and the Housing Assets team to the Oakwood Hill Depot. The Cabinet will be considering a report on the outcome of the feasibility study at its meeting in September 2017.
Policy Changes in 17/18						Members approved the change of policy from a modern home standard to a decent home standard starting in the financial year 2017/18. This will reduce the capital spend on HRA projects but will result in increasing revenue expenditure over time as more repair jobs will be done. Subsequently this has caused many of the capital schemes to show underspends to the current budgets and savings will be identified as part of the Capital Review.
Heating / Rewire	3,725	804	445	-360	-45	Gas heating is currently showing the largest underspend of the category; however three installations at Leonard Davies, Frank Bretton and Jessopp Court over the next two quarters are expected to reduce this variance. Similarly the rewiring scheme is also currently showing a large variance, and although more expenditure is anticipated on communal lighting, the full budget is not expected to be spent by the end of the financial year. The winter months are expected to see a spike in costs in the mechanical ventilation and heat recovery (MVHR) installation whilst the electrical heating programme is currently on target.
Windows / Doors / Roofing	2,588	616	189	-427	-69	Fire safety has been highlighted due to recent events at Grenfell Tower with EFDC actively pursuing options with leaseholders to upgrade fire doors within properties around the district. Due to continued problems, the contractor of the double glazing scheme has been notified of termination after the current phase of installations is completed. The resurfacing of balconies and roof replacements are currently showing a large underspend, however it is expected that the expenditure will heavily increase during the winter months as more maintenance will be reported.
Total c/f	24,415	4,663	2,256			

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

Scheme	17/18	First Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	24,415	4,663	2,256			
Other Planned Maintenance	358	90	5	-85	-95	This category includes Norway House improvements, door entry system installations and energy efficiency works. Works to the door entry systems on leasehold properties may need to be enforced due to the fire safety matters highlighted in the previous category. The energy efficiency budget will be re-assessed as part of the Capital Review in light of the lack of demand for loft and wall cavity insulations.
Kitchen & Bathrooms	2,680	670	336	-334	-50	Many of the planned maintenance schemes for the installation of kitchens and bathrooms are currently on hold due to tenants being in rent arrears. These schemes have also been significantly reduced due to the policy to change from modern to decent homes.
Garages & Environment Works	1,289	62	2	-60	-97	The construction of the 8 off-street parking areas in Torrington Drive has experienced complications throughout with works being redesigned after drainage tests failed causing significant delays. To add to this the main contractor (Wedge) has also gone out of business and although another contractor has been identified and it is expected that the scheme will not recommence at Torrington Drive until quarter 3. Wedge is also the main construction company on the estate environmental scheme which is also showing an underspend. The housing CCTV schemes will begin in quarter 2 with a new system being installed at Limes Farm Yellow Block, whilst a replacement system being installed at Norway House in quarter 4.
Structural Schemes	1,593	161	311	150	-22	The year to date budget for miscellaneous structural works is considerably overspent due to the HRA stock being relatively old, with works to cracks in plaster and walls being a significant issue. Design specifications for the replacement of 9 lifts in Limes Farm estate is currently progressing with works not expected to start on site until quarter 3.
Disabled Adaptations	450	113	98	-15	-13	Disabled adaptations works are progressing well and the budget is currently expected to be fully spent by the end of the year.
Other Repairs & Maintenance	250	59	35	-24	-40	Feasibility studies have been identified including moving the staff and workshop from Epping Depot to the Oakwood Hill Depot. With reduced capital works being undertaken due to a change in policy there is a lower demand for asbestos removal works.
Service Enhancements	455	114	4	-110	-96	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 are currently being explored. There has been no progression with the Oakwood Hill enhancement programme and the scheme is expected to be carried forward as part of the Capital Review. The demand for the mobility scooter stores is still very low although there is potential for a store to be constructed at Norway House.
Replacement Housing Vehicles	158	107	107	0	0	A total of 7 vans have been delivered to replace an ageing fleet with another 2 being identified for delivery later in the year.
Work On Hra Leasehold Prem (Cr)	-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	31,348	6,037	3,154			

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

REFCuS Scheme	17/18	First Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park	1,938	646	642	-4	-1	Please see major scheme tab for details on this scheme. This budget refers to the S278 works.
Parking & Traffic Schemes	262	0	0	0	0	After designs and maps were completed and advertised at the end of 2016/17 by North Essex Parking Partnership, Phase 1 of the Loughton Parking review is due to go 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 of Phase 2 will be held in October and will allow time to evaluate the resident's response to Phase 1 as well as pinpoint potential locations in and around Debden Station.
Disabled Facilities Grants	630	158	97	-61	-39	The Council has a legal duty to provide Disabled Facility Grants (DFGs) 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. The expenditure in quarter 1 amounted to £97,000 with additional commitments of £297,000 until the end of the financial year, although commitments will continue to rise over the year as additional grants are approved.
Hra Leasehold Prop (Dr)	300	0	0	0	0	These costs relate to capital works on sold council flats, currently shown on the HRA capital programme. They will be identified once the works are complete and reported at the end of the financial year.
Total	3,130	804	739			

Capital Loan Scheme	17/18	First Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Private Sector Housing Loans	150	38	22	-16	-41	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. During quarter 1 £22,000 has be spent with an additional £98,000 currently either in application or approval stage.
Total	150	38	22			

**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	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Apr-14	Jun-15	Oct-14	Sep-17	3,948	1,887	5,835	5,316	6,404	10%	519

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 £2,985.88.

P A Finlay & Co Ltd have progressed the works and as of the end of June 2017 the Council took possession of the first seven 3-bed houses across two of the four sites. Hand-over of the remaining homes are still on schedule for July (site 7) and September (Harveyfields and Red Cross B). The anticipated final account for the works package has now been revised to £3,423,888, which represents an increase of 16% above the original budget estimate. This increase is as a result of unforeseen ground contamination remediation works, drainage alterations, brickwork and window remediation, additional retaining structure and alterations required to the balconies. This leads to an overall increase in the anticipated outturn figure of £485,000 for Phase 1, including all construction costs, fees and site security costs. The actual expenditure figure to 30 June 2017 of £5,316,000 reported above includes outstanding retentions of £120,000.

HOUSE BUILDING PHASE 2

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Feb-16	Mar-18	Mar-16	Apr-18	9,110	1723	10,833	3,763	11,216	4%	7,070

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 are required and delays of around 23-weeks have been claimed by the Contractor. Their entitlement is currently being evaluated by Pellings, who are the Council's Employers Agents. 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. Once agreed, the anticipated outturn figure will be revised accordingly. Likewise, the contract completion date remains at April 2018 until the claim has been determined. The actual expenditure figure to 30 June 2017 of £3,763,000 reported above includes an outstanding contract sum of £302,400 and a retention of £163,700.

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

HOUSE BUILDING PHASE 3

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Feb-17	Feb-18	Apr-17	TBC	7,502	0	7,502	1,408	7,397	-1%	6,094

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	17/01/2018
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	24/01/2018
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

The development at Queens Road has taken longer to commence due to delays in reaching an agreement with UK Power Network (UKPN) over the lease needed to divert the underground power cables and reposition the electrical sub-station. The three-way agreement between UKPN, North Weald Parish Council and Epping Forest District Council was agreed in August 2017, which will enable the developer to start planning the works.

EPPING FOREST SHOPPING PARK

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Mar-16	Oct-16	Sep-16	Sep-17	31,161	0	31,161	25,304	31,161	0%	5,857

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 as well as consultancy and other professional fees.

The construction of the Shopping Park commenced in September 2016 and was completed in June 2017; a substantial delay on the original proposed dates (Mar-16 and Oct-16 respectively). The original sum for the main construction contractor, McGlaughlin 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 last contract payment for McGlaughlin and Harvey is expected to be paid in quarter 2 with a deduction for the retention.

Several tenants are currently fitting out their units, including Smyths Toys, Pets at Home, TK Maxx and Aldi, with Next taking possession in late August. Hobbycraft opened for business on 3rd August whilst several of the others are expected to open at the beginning of September. The anchor tenants have been secured and agreements for leases have been signed whilst several further units are currently under offer with the remainder continuing to be marketed. The Shopping Park will open on an ad-hoc basis from August 2017 with the expectation of being fully operational by December 2017. Capital payments to anchor stores are expected to be paid over the next two quarters; half being paid on access to the units with the other half payable on opening. The latest development appraisal still indicates a good return from the Council's investment.

Throughout the project, the Section 278 road improvement works have represented a major risk to the scheme with delays attributable to changing requirements from the Highways Authority. The main variations to the original design have come from the restrictions on working in the carriageway, revised drainage requirements, the re-location of the high pressure gas main and enhanced road repairs. These numerous variations have resulted in substantial additional costs with the final contract sum expected in the region of £3,900,000 to £4,200,000, although a small element of this will be recoverable from Essex County Council. These works are not expected to finish until late August 2017.

Report to the Resources Select Committee

Report Reference: FPM-006-2017/18

Date of meeting: 17 October 2017



Portfolio: Finance

Subject: Financial Issues Paper

Responsible Officer: Bob Palmer – (01992 – 564279)
Democratic Services Officer: Adrian Hendry - (01992 - 564246)

Recommendations/Decisions Required:

1. To recommend to the Cabinet the continuance of the budgetary framework approved by Council in February, including guidelines for 2018/19 covering:

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

2. To recommend to the Cabinet the agreement of the updated Medium Term Financial Strategy for the period to 2020/21, and the communication of the Medium Term Financial Strategy to staff, partners and other stakeholders.

3. To note the implementation of the previously agreed reductions in parish support grants in equal stages to achieve their complete removal by 2019/20.

Executive Summary:

This report provides a framework for the Budget 2018/19 and updates Members on a number of financial issues that will affect this Authority in the short to medium term.

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

- Central Government Funding
- Business Rates Retention
- Welfare Reform
- New Homes Bonus
- Development Opportunities
- Transformation
- Waste and Leisure Contracts
- Miscellaneous, including recession and pay awards

These issues will be dealt with in the following paragraphs, taking the opportunity to discuss some areas in greater detail following recent developments. Based on the information contained in the report Members are asked to set out, for consultation purposes, the budgetary structure for 2018/19.

****Please noted that this report first went to the Finance and Performance Management***

Cabinet Committee in July 2017.

Reasons for Proposed Decisions:

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

Other Options for Action:

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

Report:

General Election(s)/Brexit

1. In last year's paper I put a section on Brexit and the potential impacts at the start ahead of the usual financial update report. I did this because of the huge uncertainties in the immediate aftermath of the referendum and so a year on it is necessary to update these comments for the arguably greater uncertainty that now exists with a hung Parliament. The general election was called by the government in the expectation of a larger majority to strengthen the Prime Minister's hand in Brexit negotiations. The outcome has weakened the negotiating position and greatly limited the legislative ambition of the government. There is a separate section later on business rates but the 100% retention of business rates and the fair funding review now seem unlikely to proceed. Questions also exist over policies on planning and housing, such as the financial contribution we will be required to make to support right to buy for housing association tenants. Given this position there was little point updating the MTFS for anything other than the 2016/17 outturn so the attached MTFS is very similar to the one approved in February.

2. A previous Chancellor of the Exchequer had stated that a decision to leave the EU would trigger an emergency budget with higher taxes and lower public spending. This did not happen and the economy has continued to grow at a slow pace, although the value of the pound relative to other currencies has declined and this is one of the contributory factors in the increases now being seen in inflation. The mood following the general election seems to be supportive of an easing of the austerity belt, although this still needs to move from comments in the press to firm policy announcements. The next set of predictions from the Office for Budget Responsibility are eagerly awaited. Changes in policy and growth predictions will require further action on the public finances, which could be higher taxes, lower spending or more borrowing. It is likely that the solution will be a combination of the three alternatives and even though more money may be found for social care it is unlikely that district councils will see any increase in funding.

3. The political consequences are still to fully unfold and it remains to be seen how long the Prime Minister can rely on both the Democratic Unionist Party and her own backbenchers. The difficulties in governing from such a position were evidenced by the abortion issue and content of the Queen's Speech. Policies such as devolution and the fair funding review are not universally popular and would have been challenging for a government with a strong majority to push through. There now seems little prospect of any form of reorganisation for local authorities or any reform of the system of local authority financing. The uncertainty and delay around these issues could be further compounded if we have another general election and possibly a different Prime Minister or a different government.

4. It will be many years before we can fully evaluate the effects of the election and Brexit but

what we can say at the moment is that for district councils it has increased political uncertainty and reduced funding prospects.

General Fund Outturn 2016/17

5. Members have already received the outturn reports together with explanations for the variances. The Statutory Statement of Accounts for 2016/17 is currently being audited so some amendments may still be made to the outturn figures. In summary the General Fund Revenue outturn for 2016/17 shows that Continuing Service Budget (CSB) expenditure was £215,000 below the original estimate and £929,000 below the revised, which allowed an additional £1 million of capital expenditure to be charged to revenue. The single largest variance was an amount of £150,000 that had been put aside to fund potential settlement agreements was largely unused.

6. The revised CSB estimate for 2016/17 increased from £13.252m to £13.966m with the actual being £13.037m. There were underspends of £157,000 on salaries, £133,000 on housing benefits, £103,000 on various consultancy costs with additional rental income of £112,000 and the addition to the bad debt provision was £83,000 less than budgeted. The main in year changes related to increased costs of waste management £469,000 and increased staffing in the planning policy team £75,000 but these were offset to a degree by the council tax collection technical agreement £200,000 and an increase in development control income ££155,000. Other savings were seen on car leasing £34,000 and internal audit £29,000. The only other cost increase worth mentioning is the £40,000 reduction in administration subsidy receivable from the Department for Work and Pensions.

7. Net DDF expenditure was £1,542,000 lower than the revised estimate. However £1,301,000 of this resulted from slippage so both expenditure and financing for this amount has been carried forward to 2017/18, giving a net underspend of £241,000. The largest variance was £1,063,000 on Neighbourhoods, of which £862,000 is money received from the DCLG to pursue planning initiatives. None of this funding had been confirmed when the revised budget was set and it is all being carried forward to spend in 2017/18. In Resources there was an underspend of £266,000, which includes £92,000 for building maintenance as projects have been delayed pending the outcome of the accommodation review.

8. The only significant variance on the non-directorate items within the DDF was additional income of £158,000 on the DDF element of the council tax collection technical agreement. The overall movements on the DDF have combined to produce a balance that is higher than previously predicted at £4.188m at 31 March 2017. However, most of this amount continues to be committed to finance the present programme of DDF expenditure, particularly the Local Plan and related items such as the work on Garden Towns.

9. As the underspend on the DDF is matched by the variance on appropriations, the overall variance in the use of the General Fund revenue balances consists of the CSB overspend and the variance on the use of reserves to fund capital expenditure. This translates into a reduction in balances of £1.065m compared to the revised estimate of a decrease of £0.777m. Although it must be remembered that the actual deficit has been increased by charging an additional £1 million of capital expenditure to revenue. If the capital expenditure had been financed differently the General Fund would have been close to breaking even.

The Updated Medium Term Financial Strategy

10. Annexes 1(a/b) show the latest four-year forecast for the General Fund. This is based on adjusting the balances for the 2016/17 actuals but as very little additional information has become available since February no other changes have been made. The annex (1b) shows that revenue balances will reduce by £45,000 in 2017/18 and then further in subsequent years by £119,000 in 2018/19, £143,000 in 2019/20 before reducing by £113,000 in 2020/21.

11. For some time Members have aligned the balances to the Council's 'Net Budget Requirement' (NBR), allowing balances to fall to no lower than 25% of NBR. The predicted

balance at 1 April 2018 of £6.162m represents 48% of the anticipated NBR for next year (£12.801m) and is therefore somewhat higher than the Council's current policy of 25%. However, predicted changes and trends mean that by 1 April 2021 the revenue balance will have reduced to £5.287m. This still represents over 41% of the NBR for 2020/21 (£12.749m).

12. The financial position as at 1 April 2017 was not significantly different from what had been anticipated, reflecting the success of the cost control measures put in place. The robustness of the revenue account is highlighted by the underlying break even position for 2016/17 mentioned above.

13. The target saving for 2018/19 has been left at the original level of £300,000. This is followed by targets of £250,000 for 2019/20, and £150,000 for 2020/21. These net savings could arise either from reductions in expenditure or increases in income. If Members feel that the levels of net savings being targeted are appropriate, it is proposed to communicate this strategy to staff and stakeholders.

14. Estimated DDF expenditure has been amended for carry forwards and it is anticipated that there will be £564,000 of DDF funds available at 1 April 2021. The four-year forecast approved by Council on 21 February 2017 predicted a DDF balance of £381,000 at the end of 2020/21, although both projections are assuming a transfer in of £500,000 from the General Fund balance in 2018/19.

15. Capital balances have been updated for recent outturn figures and it is not anticipated that there will be any unallocated capital receipts available in future. With the continued efforts to become self-financing, assisted by the certainty of the four year settlement, through revenue generating capital schemes it is inevitable that some borrowing will be required during 2017/18. We will seek to keep borrowing to a minimum through the use of reserves to fund capital expenditure where appropriate.

Continuing Services Budget

16. The CSB underspend against revised estimate was £0.929m, compared to a £0.407m overspend in 2015/16. Within the underspend there was the usual saving on the salaries budget. The salaries budget in total is £22.5m and the General Fund CSB underspend was approximately £157,000. It is anticipated that not all posts will be filled throughout the year so a vacancy allowance of 1.5% is included in the estimates to reflect this.

17. There is currently an under spend on the salaries budget in 2017/18 and this is expected to continue so the vacancy allowance will be reviewed and increased if appropriate. The aggregate underspend this year arose largely from one off factors, as set out in paragraph six above.

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

19. The updated four-year forecast (annexes 1a & b) show that the budget for 2017/18 misses that objective, as funding from Government Grants and Local Taxpayers is £45,000 below CSB. However, given the overall position and the strength of the Council's reserves this is not a significant problem.

Central Government Funding

20. The position is unchanged from February but that would normally be the case, particularly as the settlement included draft figures out to 2019/20. For background the section from the budget report is repeated below.

21. At the July 2016 meeting of the Finance and Performance Management Cabinet Committee Members decided that the offer from DCLG of a four-year settlement should be accepted. There are very few authorities that made a different decision as DCLG has announced an acceptance rate of 97%. Given the existence of the four-year settlement and the previously announced figures it would have been a considerable surprise if the RSG or retained business rates had moved much from the numbers reported previously. There were no surprises on these numbers and the figures in the table below for the Settlement Funding Assessment are consistent with our expectations.

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue Support Grant	2.45	1.53	0.74	0.26	-0.28
Retained Business Rates	3.02	3.05	3.11	3.21	3.32
SFA	5.47	4.58	3.85	3.47	3.04
Decrease £		0.89	0.73	0.38	0.43
Decrease %		16.3%	15.9%	9.9%	12.4%

22. This confirms the bleak picture for the next four years with the SFA reducing over the period by £2.43m or nearly 45%. There has been a lot of talk about full retention of business rates but the reality in the draft figures is disappointing. The table above shows our retained business rate funding increasing from £3.02m in 2015/16 to £3.32m in 2019/20, an increase of £0.3m or 9.9%. During this time the tariff we pay to the Treasury increases by a similar percentage from £10.23m to £11.17m. This lack of any relative improvement in the balance between retention and tariff is disappointing. However, on top of this because our retained business rates exceeds our SFA in 2019/20 we are penalised with an additional tariff that I have shown in the table above as negative Revenue Support Grant. This is a worrying new addition and a disincentive to local authorities to devote resources to economic development.

23. The concept of Core Spending Power was an interesting addition to the draft settlement which set out DCLG predictions on Council Tax and the New Homes Bonus. In doing this some rather brave numbers were used to try and demonstrate that the funding reductions were not as dramatic as the changes in SFA implied. As these are purely theoretical figures, and I have previously demonstrated how unrealistic they are, there seems little point in spending any more time on them here.

24. The Council has not increased the Council Tax since 2010/11 and the Finance and Performance Management Cabinet Committee was very clear in July 2016 that the Council Tax will not be increased while the General Fund balance remains comfortably above the minimum requirement.

25. The settlement confirmed the referendum limit for increases in the Council Tax would again be 2%, although, as set out above, this was of little interest to us. A more significant decision was the one not to impose referendum limits on parishes, although this position remains under review for subsequent years. This means if parishes are unable to match the reductions in their Local Council Tax Support (LCTS) funding with efficiencies they are still free to increase their precepts.

26. In July 2016 the Finance and Performance Management Cabinet Committee decided that, in view of Revenue Support Grant disappearing by 2019/20, the LCTS grant to parishes should also be phased out over this period. It was decided to implement this change in equal steps and the parishes have been informed of the funding they will receive for 2017/18 and 2018/19 before the grants stopping in 2019/20.

27. Before the general election a fair funding review was underway to examine how the funding formulae need to change to provide more support to those authorities with the greatest need. There was no mention of this work in the Queen's Speech and the government's deal with the Democratic Unionist Party has made this a far more difficult project. Under the current system funding for the devolved administrations is calculated using the Barnett formula, and applying this formula suggests that if Northern Ireland is to receive an additional £1 billion then Wales should receive £1.7 billion and Scotland £2.9 billion. It has been made clear that Wales and Scotland will not be receiving additional funding and in response Wales' first minister Carwyn Jones has stated "It all but kills the idea of fair funding for nations and regions". It seems most likely that the existing approach of an annual reduction being applied to the old formula amounts to achieve the desired overall reduction in funding will be continued but what that will mean after 2019/20 is anyone's guess.

Business Rates Retention

28. We are now into the fifth year of business rates retention and it is evident that DCLG have under estimated the Council's income from business rates. This is illustrated in the table below.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
DCLG	2.91	2.97	3.02	3.05	3.11	3.21	3.32
Actual/Est.	2.97	3.64	4.40	4.59	4.56	4.60	4.40
Surplus	0.06	0.67	1.38	1.54	1.45	1.39	1.08
Levy	0.03	0.34	0.24	0.37	tbc	tbc	tbc

29. For both 2013/14 and 2014/15 as the Council was not in a business rates pool we had to pay over half of the income above the DCLG estimate as a levy, in addition to the tariff that had already been paid. From 2015/16 a reduced levy is payable to the members of the pool who are top-up authorities, Essex County Council and Essex Fire Authority. The net effect of the pooling is that this council was better off for pooling by £118,000 in 2015/16 and £393,000 in 2016/17.

30. The table above illustrates that the rate of growth in business rate income has been far higher than DCLG estimated. Part of this divergence may have been caused by the number of adjustments to the scheme after it was constructed. These include the extension of small business rate relief, the capping of increases and the introduction of retail rate relief. As all of these adjustments reduce the bills that Councils would have issued, compensation is paid under what is known as Section 31 grant. With the introduction of the new rating list from April 2017 there were further new reliefs and it is evident that Section 31 grant will be with us for many years to come.

31. Whilst the amounts included in the MTFs exceed those calculated by DCLG they are still felt to be prudent. There is very little growth anticipated after 2016/17 despite the building of the retail park and other known likely developments within the district. Particular caution is needed over the estimates for 2017/18 as this is the first year which will be billed using the new rating list.

32. The complexity around the introduction of the new list has been made worse by changes to transitional relief and the appeals system. There were two levels of transitional relief but for reasons best known to the DCLG the new list has three levels. This has then been compounded by the introduction of a new system of "Check, Challenge, Appeal" for businesses to use in challenging their bills. It is hoped that in the long term this system will be better for all parties and help reduce the very lengthy delays that are currently experienced. However, the introduction of a new system means we have no past data that can be used to estimate the number of appeals and how they will arise and be dealt with through the life of

the valuation list. So 2017/18 is a particularly challenging year for estimating business rates and the figures will continue to be carefully monitored.

33. Having mentioned the difficulty with new appeals we should not lose sight of the hundreds of appeals that are still outstanding on old lists. Calculating an appropriate provision for appeals remains extremely difficult as there are several hundred appeals still outstanding with the Valuation Office. Each appeal will have arisen from different circumstances and it is difficult to produce a uniform percentage to apply. This is a particular concern as there is one property in the south of the district which has a rateable value approaching £6 million and is currently being appealed. If a full provision was included in our calculations for the owners of this property being completely successful in their appeal there would be a significant shortfall.

34. Based on previous experience and discussions with the Valuation Office a provision has been calculated that is felt to be prudent, but given the size of the financial risk here it is worth mentioning the potential problem. The total provision against appeals is currently £3.5m.

35. The announcement of 100% local retention of business rates was widely welcomed but there are a couple of popular misconceptions to correct. Firstly, 100% retention will not mean an increase in the business rate income we have to spend from £3.3m to £33m. What it actually means is that 100% will be retained within local government and no amounts of either base funding or growth will be paid over to the Treasury. The second myth is that 100% retention will solve funding problems for the local government sector. It has been made clear by the Government that the policy will be fiscally neutral, which means any additional funding will be matched by a transfer of additional responsibilities that have previously been centrally funded. Before the election the Local Government Association (LGA) had accepted the Government's position on fiscal neutrality. However, after the election the LGA has taken a less passive stance and is now campaigning for the predicted £5.8 billion funding gap by 2020 to be met before any additional responsibilities are transferred.

36. The new system was meant to be in place by 2020/21 at the latest, DCLG had indicated a desire to achieve implementation by 2019/20 but this is now impossible. There was no mention of 100% retention in the Queen's Speech and this policy now seems to be on hold.

37. It has been mentioned above that the Council has benefitted significantly from being in a business rates pool and consequently it has remained in a pool for 2017/18. Monitoring so far indicates that this should still prove beneficial but we are reliant on the outcomes from the other pool members. If it becomes evident either through the monitoring for 2017/18 that this Council will not benefit financially from pooling a recommendation will be made not to pool in 2018/19.

Welfare Reform

38. The scheme of Local Council Tax Support (LCTS) for 2016/17 saw the first significant change since LCTS replaced Council Tax Benefit in 2013/14. Concerns about the LCTS scheme falling short of being self-financing led to the maximum level of support being reduced from 80% to 75%. Overall the scheme has been a success and it has been possible to collect some Council Tax from most of the people receiving support. If support is reduced much further any financial gain from increasing the amount payable could be more than outweighed by additional bad debts from those who stop making an attempt to pay. It has to be emphasised that any increase in income from reducing LCTS is only a genuine increase if you can collect the money. No significant change is being proposed for 2018/19 to allow sufficient time to understand the consequences of changes with the National Living Wage and tax credits and the effect that these will have on caseload.

39. It is worth taking this opportunity to mention one of the other welfare reforms. The Benefits Cap was introduced to limit the total amount of benefits a household could receive in a year to £26,000. The introduction of this cap did not have a dramatic impact across the district. However, the reduction by £6,000 to £20,000 is likely to cause greater changes in people's behavior and working patterns. The lower cap was phased in across the country

during 2016/17 and early indications were that several hundred claimants in this district would be affected. Currently there are 157 cap cases with the weekly loss of benefits ranging from £0.03 to £253.35. The average weekly loss is £45.94 and this amount is deducted from the persons housing benefit entitlement.

40. The other major change that has received considerable media coverage is the replacement of a collection of different benefits with a single Universal Credit (UC). Despite delays, confusion and critical reports from the National Audit Office the scheme still continues to progress (slowly). Apparently the DWP are reviewing what is included within UC and are considering removing some of the more difficult elements. The use of UC for new claims is being rolled out based on Job Centres. What this means for the Epping Forest district is that some post codes will be on UC from September this year but the district will not be fully covered for new claims until September next year. This fragmented approach is not helpful for residents or staff and there will inevitably be some confusion. Clarity over the time period and process for the migration of our existing housing benefit claims to UC and the role local authorities will perform under the new system is still awaited.

41. One other aspect of welfare reform that continues is the DWP achieving their savings through reducing the grant paid to local authorities to administer housing benefit. Following a relatively modest reduction of £22,000 in 2015/16, £40,000 was taken in 2016/17 and 2017/18 will see a further reduction of £42,000, which is a cut of over 10%.

New Homes Bonus

42. The reductions in New Homes Bonus (NHB) for 2017/18 were far greater than had been anticipated and an extract from the Budget report is provided below to remind Members of the background.

43. The size of the reductions is best illustrated with the use of tables, so the first table below shows what we had allowed for in the MTFS and the second one shows what we will now be amending the figures to.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
CSB	2.1	2.1	1.6	1.6
DDF	0.6	0.1	-0.2	0
NHB in old MTFS	2.7	2.2	1.4	1.6
Change in CSB	0	0	0.5	0

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
CSB	2.1	2.0	0.9	0.7	0.2
DDF	0.6	0.0	0.0	0	0
NHB in new MTFS	2.7	2.0	0.9	0.7	0.2
Change in CSB	0	0.1	1.1	0.2	0.5

44. In anticipation of the changes to NHB only £2.1m of the £2.7m received in 2016/17 was included in the CSB and a further reduction of £0.5m had been allowed for in 2018/19. It had seemed quite prudent to allow for a reduction of £1.1m in NHB, however what we now see is a reduction of £2.5m over the period from 2016/17 to 2020/21.

45. The reason for this much larger reduction is the introduction of a baseline of 0.4% for 2017/18. This means that only growth above 0.4% of the taxbase qualifies for NHB, in practical terms this reduces the number of qualifying properties from 241 to 11 or in cash terms the additional NHB for 2017/18 will be £16,000 instead of £320,000. The consultation included the possibility of a baseline at 0.25% so the imposition of this much higher baseline

was a nasty surprise. Having a baseline at 0.4% eliminates most of our growth and this is likely to be the case going forward as well, hence the reduction to £0.2m by 2020/21.

46. The consultation included a range of other proposals to reduce NHB, the first of which was to reduce the number of years that the bonus is payable for from 6 to 4. This is being implemented with a reduction to 5 years in 2017/18 followed by the full reduction to 4 years in 2018/19. The proposals to withhold NHB from authorities that have not got a Local Plan in place or to reduce payments where planning approval has been granted on appeal have not been introduced for 2017/18 but will be considered again for 2018/19.

Development Opportunities

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

48. There has been some slippage in the programme for the retail park, although this relates more to the highway works than the construction of the park. The highways issues are likely to cause that part of the project to be over budget but the scheme as a whole is not expected to be significantly above budget. Most of the large units have now been let and several of the tenants are now fitting out their stores. Negotiations are also continuing with potential tenants and indications are that the projected rent levels should be achieved and the budgeted allowance for tenant incentives will not be exceeded.

49. Our professional advisers have stated that an annual rental income of £2.7m is achievable. The MTFS includes a prudent view, reducing this to £2.2m to allow for any shortfall, management costs and interest. No change in assumptions has been made at this stage as any changes now would inevitably require further amendment later for the better information on rent levels and the opening date.

50. Progress has been less encouraging with the mixed use re-development of the St Johns area in Epping. The land acquisition from ECC took much longer than anticipated and the negotiations about provision for a cinema in the development agreement have been protracted. However, there is an end in sight to this saga and it is anticipated that the development agreement will be concluded this month. It is also worth mentioning the former Winston Churchill pub site which is progressing well and in which we have retained an interest in the ground floor retail element. The income from this interest is anticipated to be approximately £350,000 and should commence in 2018/19. Other possibilities will be evaluated as part of the Local Plan process.

51. The underspend on the capital programme, and the additional revenue contribution from the General Fund, meant it was possible to finance the capital programme in 2016/17 without any additional borrowing. However, this will not be possible for 2017/18 and going forward we will need a different way of thinking as capital will no longer be freely available and borrowing costs will need to be considered as part of any options appraisals.

Transformation

52. Good progress has been made on the accommodation review and Members have made the strategic choice to concentrate services in the new building so the Conder Building and rear extension part of the site can be freed up for redevelopment. The second phase of the review is now underway to produce indicative floor plans, a sequential schedule of works and more detailed costings. This should allow Cabinet in December to determine the future configuration of the Civic offices and make appropriate provision in the 2018/19 budget.

53. The Head of Customer Services has now been in post for over 6 months and good progress has been seen on a number of initiatives. In particular, strong progress has been

made with the work on customer contact and this is likely to significantly change the structure and working practices of the Council.

54. As part of the revised estimates for 2014/15 Members created an Invest to Save budget of £0.5m. This fund is intended to finance schemes which can produce reductions to the net CSB requirement in future years. This fund has proved popular with Members and officers and the number of ideas generated meant it was necessary to allocate additional funding in 2016/17. At the end of 2016/17 there was £406,000 in this fund, although only £59,000 of this was unallocated.

Waste and Leisure Contracts

55. Two of the Council's high profile and high cost services are provided by external contractors, Biffa for waste and Places for People for leisure. Following an extensive competitive dialogue procedure Biffa took over the waste contract in November 2014. The contract hand over and the first six months of the new service went well. But in May 2015 the service was re-organised on a four day week basis and considerable difficulties were encountered.

56. The service was procured at a lower cost and the savings were included in the MTFS. However, issues with recycling and service delivery mean that CSB growth of nearly £0.5m was included in the revised estimates for 2016/17 together with £0.2m of DDF expenditure. These costs are not sustainable in the long term and various options are being discussed with Biffa at the Waste Management Partnership Board to examine how overall costs can be reduced in future years.

57. The leisure management contract was due to expire in January 2013 but an option was exercised that extended the contract for three years. The new contract started on 1 April 2017 with Places for People for a period of 20 years. Over the lifetime of the contract the average CSB savings will be more than £1m per year. The payments under the contract vary considerably between years and so the CSB savings are phased in over the first four years of the contract. If the whole CSB saving was included at the start of the contract there would need to be substantial transfers to the DDF for the first few years so it is better within the MTFS to match the economic reality of the contract.

58. The contract assumes investment in both new and existing leisure facilities and outline planning permission has already been obtained for a replacement facility in Waltham Abbey. Given the length and value of the contract it may be necessary to amend some of the assumptions and amounts as time progresses but the figures currently included in the MTFS are prudent.

Miscellaneous

59. In addition to the significant items mentioned above there are a number of other issues that need to be borne in mind. Firstly, the position in terms of the general economic cycle and the potential for a recession. I raised this issue last year and the economy has continued on a path of very limited growth but is now under pressure from higher inflation. The economy goes in cycles and, regardless of our position relative to the European Union, many economic commentators have been predicting that the current period of low but sustained growth was due to finish and that a recession is somewhat overdue. There is no point in speculating on the length and depth of a recession but we do need to be wary of the consequences of a slowdown in the economy. In any economic downturn property related income streams such as development control and rent from our commercial estate suffer. This reduction in income in a downturn will be magnified as the proportion of our income coming from retained business rates increases. Added to the reduction in income will be increased pressure on services with greater spending on benefits and homelessness. Clearly it is in no one's interests to talk down the economy and talk up a recession but in a paper highlighting financial issues it is a subject that cannot be ignored.

60. The Council's single largest cost is the annual pay bill of around £22m. For several years a pay cap of 1% has limited increases in pay. However, following the election different views have been expressed by Ministers and speculation is now rife around a possible relaxation of the cap and how this could be paid for. One possibility would be to reverse the decision to inflate business rates by the consumer prices index in future and revert to the higher retail prices index. The MTFS is based on increases at only 1% per annum and every 1% pay awards exceed this by will add £220,000 to the CSB. The unions have submitted a 5% pay claim and while this is unlikely to be achieved the award for 2018/19 may exceed 1%.

DDF

61. The carry forward of £1,301,000 represents an increase of £526,000 on the £775,000 of slippage for 2015/16. The largest carry forwards are the DCLG funding for planning activities and the Garden Towns of £862,000, which were only received very late in 2016/17. The financial forecast shows that not all DDF funding is currently allocated to schemes, it indicates that approximately £564,000 of DDF will be available at 1 April 2021. Although this is reliant on a transfer in of £0.5m from the General Fund in 2018/19.

The Capital Programme

62. The generation of capital receipts in 2016/17 was higher than had been anticipated. This was largely due to more council houses being sold. The Government boosted right to buy sales by increasing the discount that tenants can receive to £75,000 and this led to sales of 53 houses in 2013/14 and 46 in 2014/15. Sales then reduced in 2015/16 to 20 but have bounced back up again to 46 in 2016/17.

63. It has already been stated above that the General Fund capital programme will continue as the main vehicle for putting the Council in a self-financing position and that in order to achieve this some borrowing will be necessary in 2017/18. The HRA capital programme had a major review in 2016/17 to take account of the changes to the house building and maintenance programmes going forward.

64. The capital outturn report considered by the Finance and Performance Management Cabinet Committee on 22 June 2017 highlighted that the variance of £6.1m was a substantial reduction on the previous year's figure of £12.6m. Non-HRA expenditure was £2.9m below the estimate at £19.6m, whilst HRA expenditure of £17.4m was £3.2m below the estimate of £20.6m. The slippage in the programme will be carried forward to subsequent periods.

An updated Medium Term Financial Strategy

65. For the reasons set out in the various sections above, the update to the MTFS has been limited to changes to reflect the outturn for 2016/17. Annexes 1 (a & b) show a four-year forecast with target levels of savings to bring the projections closer to the policy of keeping reserves above 25% of the NBR. The net savings included are £300,000 for 2018/19, decreasing to £250,000 for 2019/20 and then £150,000 for 2020/21. These savings would give total CSB figures for 2018/19 of £12.92m and 2019/20 of £12.67m.

66. This proposal sets net DDF expenditure at £3.25m for 2017/18 and £929,000 for 2018/19, and given the possibility of other costs arising, it is likely that the DDF will be used up in the medium term.

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

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

The Council Tax

69. Even though the Government has now changed its position on Council Tax increases and is effectively encouraging them, it has been assumed that Members will wish to adhere to the established policy of not increasing the Council Tax throughout the period of the MTFS. This is something that can easily be revisited later in the budget process if we find ourselves in a significantly worse position than is currently envisaged.

Conclusion

70. The Council remains in a strong financial position as the overspend in 2016/17 was not significant. It is comforting at this time to have substantial reserves as the general election has delivered greater political uncertainty and a higher level of financial risk.

71. Hopefully we will see a period of stability in government and there will not be another general election for several years. This would assist in clarifying policies covering, the reform of local government funding, devolution and changes to the HRA. However, these may be delayed by the work on negotiating our exit from the EU and our new trade deals with the rest of the world.

72. There is also great uncertainty over what the final settlement figures will be for all of the business rate appeals and whether pooling will continue to be a success. Other questions remain in service areas, such as the timing and size of the savings from the new leisure contract and what can be done to address the growing problem of homelessness.

73. For the moment we have to make prudent assumptions and look to see how we can best safeguard the Council's finances for the future. At this time it is difficult to meaningfully update the MTFS, so the programme of net savings is unchanged from that set out in February. This should be achievable as our financial strength allows us to look for the necessary savings over the medium term.

Equality analysis report

Use this report template to record your equality analysis. This report is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination**, **advance equality of opportunity** and **foster good relations** with respect to the personal characteristics protected by equality law. Due regard must be paid at formative stages of policy or service development, changes, or withdrawal.

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

If you require further help, please contact the Performance Improvement Unit.

Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	Budget framework for 2018/19 and Medium Term Financial Strategy
Revised / new / withdrawal:	Revised/New
Intended aims / outcomes/ changes:	The aim is to set a financial framework for 2018/19 and revise the medium term financial strategy. The outcome will be a budget that provides services at the level determined by Members within the funding agreed by Members. Any changes in the level or nature of service provision will be considered separately by Cabinet as savings/growth items before inclusion in the final budget.
Relationship with other policies / projects:	As stated above, other projects involving changes to services will have been considered by Cabinet before being included on the savings/growth lists.
Name of senior manager for the policy / project:	Bob Palmer
Name of policy / project manager:	Peter Maddock

Step 2. Decide if the policy, service change or withdrawal is equality relevant

<p>Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.</p> <p>If no, state your reasons for this decision. Go to step 7.</p> <p><i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i></p>	<p>If yes, state which protected groups:</p> <p>The budget includes all services provided by the Council so it has consequences for all employees and all residents. However, the budget itself represents the financial aggregation of the Council's services and it is the services that have the primary consequences for employees and residents not the budget.</p>
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Step 3. Gather evidence to inform the equality analysis

What evidence have you gathered to help you understand the impact of your policy or service change or withdrawal on people? What does your evidence say about the people with the protected characteristics? If there is no evidence available for any of the characteristics, please explain why this is the case, and your plans to obtain relevant evidence. Please refer to Factsheet 2 'Sources of evidence for the protected characteristics'

Characteristic	Evidence (name of research, report, guidance, data source etc)	What does this evidence tell you about people with the protected characteristics?
Age	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011 – 15 Theme 2 - Sustainable. Theme 4 - Aspiring. Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	The elderly and the very young would normally experience difficulties in travelling to Epping to access services provided only from the Civic offices. However, an increasing range of services can be accessed via the Council's website.
Dependents / caring responsibilities	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011 – 15 Overarching Theme - Making our district a great place to live, work, study and do business	Those who due to caring responsibilities may experience difficulties in visiting the Civic offices to access services. However, an increasing range of services can be accessed via the Council's website.
Disability	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011 – 15 Theme 1 - Safe Theme 2 - Sustainable Theme 3 – Health Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	Persons with disabilities may have difficulties in travelling to Epping to access services. However, an increasing range of services can be accessed via the Council's website.
Gender reassignment	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14	In the case of Gender reassignment they may feel uncomfortable in travelling to Epping to access services and again should utilise the website to access the service or make alternative arrangements.
Marriage and civil partnership	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Overarching Theme - Making our district a great place to live, work, study and do business	There is limited data available for this.
Pregnancy and maternity	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	While there is limited data available for this, it is likely that persons within this sector may experience difficulties in traveling to Epping to access services.
Race / ethnicity	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	In the case of Race/Ethnicity some groups may be reluctant or feel uncomfortable in travelling to Epping to access services.
Religion or belief	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Overarching Theme - Making our	In the case of Religion/Belief some groups may feel uncomfortable in travelling to Epping to access services.

Characteristic	Evidence (name of research, report, guidance, data source etc)	What does this evidence tell you about people with the protected characteristics?
	district a great place to live, work, study and do business	
Sex	Draft EFDC Equality Scheme 2012 – 16 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	There is limited information available, but from this there is no significant evidence suggesting that general service provision favours either sex.
Sexual orientation	Draft EFDC Equality Scheme 2012 – 16 Corporate Plan 2011-15 Our Commitment To Equality page 14 Our Commitment To Equality page 14 Overarching Theme - Making our district a great place to live, work, study and do business	There is no evidence to suggest that persons of different sexual orientation experience difficulties accessing services. However the provision of accurate and timely information via the Council's website may be helpful to disadvantaged groups.

Steps 4 & 5 Analyse the activity, policy or change (*The duty to eliminate unlawful discrimination*)

Based on the evidence you have analysed, describe any actual or likely adverse impacts that may arise as a result of the policy decision. Where actual or likely adverse impacts have been identified, you should also state what actions will be taken to mitigate that negative impact, ie what can the Council do to minimise the negative consequences of its decision or action.

Characteristic	Actual or likely adverse impacts identified	Actions that are already or will be taken to reduce the negative effects identified
Age	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of their age.	Where a significant change to service provision has been proposed the service area making that proposal will have reported within their equality analysis any appropriate actions.
Dependents / caring responsibilities	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of caring responsibilities.	See above.
Disability	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of disability.	See above.
Gender reassignment	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of gender reassignment.	See above.
Marriage and civil partnership	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of marital status.	See above.
Pregnancy and maternity	There are no policies proposed as part of the budgetary framework that are likely to impact on	See above.

Characteristic	Actual or likely adverse impacts identified	Actions that are already or will be taken to reduce the negative effects identified
	residents because of pregnancy/maternity.	
Race / ethnicity	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of race/ethnicity.	See above.
Religion or belief	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of religion/belief.	See above.
Sex	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of their sex.	See above.
Sexual orientation	There are no policies proposed as part of the budgetary framework that are likely to impact on residents because of their sexual orientation.	See above.

Step 6. - The duty to advance equality of opportunity

Can the policy, service or project help to advance equality of opportunity in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

Characteristic	Ways that this policy, service or project can advance equality of opportunity	Why this policy, service or project cannot help to advance equality of opportunity:
Age	Not applicable.	The policy is concerned with an overall financial framework for the provision of services in total. It is not concerned with the nature or level of provision of any individual service. So whilst the individual services within the directorate estimates can advance equality of opportunity the budget and medium term financial strategy cannot. Any significant changes to service provision will be considered by Cabinet and this will include an equality assessment.
Dependents / caring responsibilities	See above.	See above.
Disability	See above.	See above.
Gender reassignment	See above.	See above.
Pregnancy and maternity	See above.	See above.
Race / ethnicity	See above.	See above.
Religion or belief	See above.	See above.
Sex	See above.	See above.
Sexual orientation	See above.	See above.

The duty to foster good relations

Can the policy, service or project help to foster good relations in any way? If yes, provide details. If no, provide reasons. *(Note: not relevant to marriage and civil partnership)*

Characteristic	How this policy, service or project can foster good relations:	Why this policy, service or project cannot help to foster good relations:
Age	Not applicable.	This policy is concerned with the Council's overall financial position and as such is not directly service related.
Dependents / caring responsibilities	See above.	See above.
Disability	See above.	See above.
Gender reassignment	See above.	See above.
Pregnancy and maternity	See above.	See above.
Race / ethnicity	See above.	See above.
Religion or belief	See above.	See above.
Sex	See above.	See above.

Characteristic	How this policy, service or project can foster good relations:	Why this policy, service or project cannot help to foster good relations:
Sexual orientation	See above.	See above.

Step 7. Documentation and Authorisation

Summary of actions to be taken as a result of this analysis (add additional rows as required):	Name and job title of responsible officer	How and when progress against this action will be reported
None, as the analysis above has determined that no actual or likely adverse impacts would arise as a result of this project.	Bob Palmer	N/A

Name and job title of officer completing this analysis:	Peter Maddock Assistant Director
Date of completion:	7 July 2017
Name & job title of responsible officer: (If you have any doubts about the completeness or sufficiency of this equality analysis, advice and support are available from the Performance Improvement Unit)	Bob Palmer
Date of authorisation:	10 July 2017
Date signed copy and electronic copy forwarded to PIU equality@eppingforestdc.gov.uk	

Step 8. Report your equality analysis to decision makers:

Your findings from this analysis (and any previous analysis) must be made available to a decision making body when it is considering the relevant service or policy. Therefore you must:

- Reflect the findings from this analysis in a 'Due Regard Record' (template available), and attach it as an appendix to your report. The Record can be updated as your policy or service changes develop, and it exists as a log of evidence of due regard;
- Include this equality information in your verbal report to agenda planning groups or directly to portfolio holders and other decision making groups.

Your summary of equality analysis must include the following information:

- If this policy, service change or withdrawal is relevant to equality, and if not, why not;
- The evidence base (information / data / research / feedback / consultation) you used to help you understand the impact of what you are doing or are proposing to do on people with protected characteristics;
- What the evidence base (information / data / research / feedback / consultation) told you about people with protected characteristics;
- What you found when you used that evidence base to assess the impact on people with the protected characteristics;
- Whether or not your policy or service changes could help to advance quality of opportunity for people with any of the protected characteristics;
- Whether or not your policy or service changes could help to foster good relations between communities.

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2020/21

	ACTUAL 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21
NET REVENUE EXPENDITURE	£'000	£'000	£'000	£'000	£'000
Continuing Services Budget	12,465	13,567	13,683	13,458	12,831
CSB - Growth	1,395	595	1,097	233	531
CSB - Savings	-823	-1,053	-1,560	-770	-350
Additional Savings Target	0	0	-300	-250	-150
Total C.S.B	13,037	13,109	12,920	12,671	12,862
One - off Expenditure	-227	3,566	959	12	-66
Total Net Operating Expenditure	12,810	16,675	13,879	12,683	12,796
Contribution to/from (-) Other Res	-219	-317	-30	0	0
Contribution to/from (-) DDF Balances	446	-3,249	-929	-12	66
Contribution to/from (-) Balances	-63	-45	-119	-143	-113
Net Budget Requirement	12,974	13,064	12,801	12,528	12,749
FINANCING					
RSG-Parish Support Grant	1,329	610	193	0	0
District Non-Domestic Rates Precept	3,982	3,699	4,600	4,400	4,500
Section 31 Grant	481	856	0	0	0
District Council Tax Precept	7,774	7,889	8,008	8,128	8,249
Collection Fund Adjustment	-592	10	0	0	0
To be met from Government Grants and Local Tax Payers	12,974	13,064	12,801	12,528	12,749
Band D Council Tax	148.77	148.77	148.77	148.77	148.77
Percentage Increase %		0	0	0	0

GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY 2017/18 - 2020/21

	ACTUAL 2016/17	FORECAST 2017/18	FORECAST 2018/19	FORECAST 2019/20	FORECAST 2020/21
	£'000	£'000	£'000	£'000	£'000
REVENUE BALANCES					
Balance B/forward	7,272	6,207	6,162	5,543	5,400
Transfer out	-200	0	-500	0	0
RCCO	-1002	0	0	0	0
Surplus/Deficit(-) for year	137	-45	-119	-143	-113
<hr/>					
Balance C/Forward	6,207	6,162	5,543	5,400	5,287
<hr/>					
DISTRICT DEVELOPMENT FUND					
Balance B/forward	3,742	4,188	939	510	498
Transfer in	446	0	500	0	0
Transfer Out	0	-3,249	-929	-12	66
<hr/>					
Balance C/Forward	4,188	939	510	498	564
<hr/>					
INVEST TO SAVE					
Balance B/forward	425	406	89	59	59
Transfer in	200	0	0	0	0
Transfer Out	-219	-317	-30	0	0
<hr/>					
Balance C/Forward	406	89	59	59	59
<hr/>					
CAPITAL FUND (inc Cap Receipts)					
Balance B/forward	3,788	0	0	0	0
New Usable Receipts	7,924	7,061	1,696	1,733	845
Use of Capital Receipts	-11,712	-7,061	-1,696	-1,733	-845
<hr/>					
Balance C/Forward	0	0	0	0	0
<hr/>					
<hr/>					
TOTAL BALANCES	10,395	7,101	6,053	5,898	5,851
<hr/>					

Report to the Resources Select Committee

Date of meeting: 17 Oct 2017



Portfolio: Technology & Support Services

Subject: Draft Technology Strategy 2018-2023

Responsible Officer: David Newton (01992 564580).

Democratic Services Officer: Adrian Hendry (01992 564246).

Recommendations/Decisions Required:

To receive a presentation of the draft technology strategy.

Executive Summary:

The Technology Strategy is due to be presented to Cabinet on the 9th November. The Technology Strategy is a large and detailed document. An executive summary of the draft strategy is attached as appendix 1 and the full version has been sent direct by email to all Resource Select Committee members.

Reasons for Proposed Decision:

The terms of reference of the panel include – ‘to monitor and review progress on the implementation of all major ICT systems’.

Other Options for Action:

Members’ could ask for further detailed information on any of the schemes contained within the draft strategy.

Resource Implications:

The proposed ICT Work Programme and resource requirements are presented to Cabinet each year.

Legal and Governance Implications:

Details for specific related projects are contained within the draft strategy.

Safer, Cleaner and Greener Implications:

Details for specific related projects are contained within the draft strategy.

Consultation Undertaken:

This draft Technology Strategy is based on discussions held within ICT, then subsequent consultations and presentations across the wider Council, including staff, senior managers, leadership team and the Technology & Support Services Portfolio holder.

Discussion has also been held with the Head of Transformation to ensure that themes emerging in the new Corporate Plan 2018-2023 are also reflected in the Technology Strategy. This discussion also ensured that the Corporate Plan similarly reflects issues and themes identified in the Technology Strategy.

Our team of System & Business Analysts have also had a series of individual discussions with Assistant Directors about future requirements for their business areas, and members of the ICT Management Team have met with Directors for the same reason.

Background Papers:

Draft Technology Strategy 2018-2023
Draft Technology Strategy 2018-2023 (Executive Summary)
Accommodation Review
People Strategy
Corporate Plan (Draft) 2018-2023
ICT Strategy 2013-18

Impact Assessments:Risk Management

All projects are assessed on an individual basis and a risk capture sheet is contained within the latest ICT Business Plan and draft Technology Strategy.



Epping Forest
District Council

2018-
2023

ICT Strategy

Executive Summary



Today's Impossibilities are
Tomorrow's Realities

Steve Bacon

EFDC ICT

September 2017

ICT STRATEGY 2018-2023 EXECUTIVE SUMMARY

ICT remains a catalyst for change and although technology alone cannot change the way we work, the Council cannot hope to improve the services it provides to the public or indeed its own working culture without it. During any multi-year strategy, changes to corporate priorities may alter deadlines, but more than ever it is essential that everyone is aware of ICT involvement in both other Directorate strategies and overall long term Corporate plans.

Our strategy will create an infrastructure that will not only meet current requirements but will also be flexible enough to adapt to the ever-changing environment in which we work. It is vital that we get maximum benefit from the existing systems we already have as well as focussing on future projects that provide the greatest efficiencies and savings. This document summarises the key points of the Strategy, the full Strategy is contained within the Programme Definition Document.

1 OUR VISION

Today's impossibilities are tomorrow's realities

"Maximising the flexibility of our staff, technology, systems and accommodation".

The vision above is the starting off point for Strategy for 2018-2023. We have learned lessons from our previous strategy in terms of how we can best structure the projects, and also what projects need to be included in the programme that results from the strategy.

1.1 AIMS OF THE ICT STRATEGY

- To enable the reduction in accommodation, and the changes in usage of that space, that will result from the Transformation Strategy.
- To enable users to work flexibly and more efficiently
- To improve Corporate performance and customer service.
- To improve ICT performance and customer service.

1.2 CAPABILITY

In general, the programme will be managed within existing capacity and capability, as the ICT team is designed with project delivery and management capacity as part of its structure. The ICT Programme Management Office (PMO) will support the programme and provide key capabilities and capacity to key projects and deliverables. Training will be given to the officers acting as Project Managers and Project Sponsors. Where identified, specific capabilities may be in-sourced from outside the authority on a fixed-term basis. Provision has been made in the Strategy for a fixed Programme Delivery Support Officer to assist the ICT Programme Manager, and to provide PMO capacity for key projects within the ICT Strategy.

2 DRIVERS FOR CHANGE

The primary function of ICT is to support and facilitate the Council in the delivery of its services to our customers, we have identified a number of Drivers for Change that are affecting the services we offer, and how we offer them:

- Within the Council - Transformation, Corporate Plan, Common Operating Model, Increase in Public Expectations, Budget Limitations, Values & Behaviours)
- In the Public Sector – Public Sector Network (PSN), G Cloud, Open Source/Standards, Digital by Design, Localism, Partnership working, General Data Protection Regulation, Green ICT, Equalities)
- In the Industry - One view is: Mobility, Social, Cloud, Big Data; or an alternative vision is: Consolidate, Integrate, Automate, Collaborate.

3 WORK STREAMS

We have identified 9 work streams within the Strategy period that will form our main programme of projects, with another work stream covering projects we need to complete in the run up to formal commencement of the strategy.

3.1 YEAR 0 PROJECTS

An ICT Section Prepared for the challenge in April 2018

- Prioritising key improvements to the ICT Infrastructure and Services that are required prior to the commencement of the 2018-2023 ICT Strategy to ensure initial and urgent corporate requirements are met in April 2018.

3.2 EFDC CUSTOMERS

Enabling the Business to Exceed public expectations

- Enabling our Customers to access Council systems and data that they need to progress applications and deal with problems online at any time of the night and day. This will entail the provision of 24/7/365 'digital by design' services for resident

3.3 EFDC STAFF

Work is not somewhere our staff go, it is something they do

- Enabling our staff to work when and where they need to, allowing easy access to our systems with the correct level of security.

3.4 EFDC TEAMS

Virtuality is the new normality for our teams

- Enabling teams to operate efficiently when working in a dispersed fashion as a virtual team; allowing conferencing, collaboration and easy sharing of information at team level and at an organisational level.

3.5 DATA AND INTEGRATION

Providing a data platform based on Integration, Sharing and Transparency

- In terms of data we intend to link our systems together to enable our staff to easily access and analyse the data that we hold across all our service areas. This could be by the integration of back end systems, or by using common referencing to allow data to be pulled from a range of systems for analysis or to provide information to our CRM.

3.6 PROCESSES AND SYSTEMS

Cost effective, Streamlined, Integrated and Automated Processes that will evolve with the Council

- The implementation and integration of applications and business processes, particularly e-forms, document management and workflow, to improve services, improve efficiency, reduce costs and increase business agility. Making best use of existing systems and hardware, and exploring alternative software solutions including open source to maximise value for money.

3.7 ICT INFRASTRUCTURE

Ubiquitous, Standardised & Resilient infrastructure to enable Flexibility

- Maintain and develop a reliable and secure ICT service for internal users and members to take advantage of new technology and greater efficiency, keeping up with technology including cloud hosting of servers and systems which will reduce the ICT accommodation footprint substantially.

3.8 ICT SUPPORT

ICT Support adding value to staff and the business

- Providing a consistent level of ICT support and training across all service areas in the Council, delivering value for money and a resilient solution, and also adding value to the business by assisting in the conducting and implementation of business process reviews. This will include a customer focussed Service Desk operation in core hours, linked to 24/7 second line support for critical infrastructure and systems, and a business need focussed application support operation.

3.9 ICT SECURITY

ICT Support adding value to staff and the business

- Providing a consistent level of ICT support and training across all service areas in the Council, delivering value for money and a resilient solution, and also adding value to the business by assisting in the conducting and implementation of business process reviews. This will include a customer focussed Service Desk operation in core hours, linked to 24/7 second line support for critical infrastructure and systems, and a business need focussed application support operation.

3.10 ICT STAFF

Trained, Dedicated and Professional ICT Staff delivering the service required

- We will ensure we have staff available in the numbers required to deliver the strategy and normal operation, by adapting our structure and staffing levels to meet need, bringing in additional resource to 'flex up' for key projects. ICT will need to invest in training and developing its team to ensure that we are aware of what is emerging in the market and have the skills to deliver. At times this may lead to abortive costs, but this risk is balanced by the opportunity to embrace new and innovative technologies that will support Flexible Working and responsive customer service.

4 BENEFITS AND DIS-BENEFITS OF THIS STRATEGY

This strategy aims to achieve a number of benefits, key ones of which are as outlined below, although it will result in some dis-benefit mainly around costs. Full details are in the Programme Definition Document.

4.1 FINANCIAL BENEFITS

- Saving of Computer Suite 2 running costs and 70% reduction in ICT accommodation
- Saving in software licensing costs by removal of redundant systems
- Savings from Change to Office 365 from Office 2017 + Software assurance
- Saving from not building a replacement dedicated server room
- Savings from lease of Electric Van for ICT instead of giving Essential allowance to additional ICT staff
- Savings from bulk buying of hardware
- Corporate savings from Internal process efficiencies in EFDC and lower costs of self service transactions and batched printing.

4.2 NON-FINANCIAL BENEFITS

- Improved Resilience of ICT Solutions
- Improved Internal ICT Customer Experience
- Improved System Integration and Data sharing
- Improved ICT Staff productivity
- Improved internal communications
- Improved Remote Access to EFDC Systems
- Improved Public Online Customer service and system access
- Proportionate Security
- Enable Mobile Working and Accommodation Changes

4.3 DIS-BENEFITS

- Increased CSB Cost for hosting of servers offsite, and licences for software required for flexible working
- Reduced internal ICT Customer Experience owing to location issues
- B3.03 Increased ICT Security Issues
- Requirement for Additional ICT Staff and 'flex' resource to ensure
- Reduced staff availability for BAU tasks owing to project work
- Requirement for second internet connection
- Cost of additional hardware for homeworking

5 RISKS

The key potential risks to the benefits of the programme, as they are currently understood include:

- Failure to implement Single ICT Team and Matrix Management
- Resistant organisational culture
- Management of complex inter-project dependencies
- Failure to gain agreement on Cloud Hosting or Office 365 funding
- Insufficient officer capacity or capability
- Disruption to ICT operations during building works
- Failure to provide adequate financial resources and unforeseen increases in project costs
- Unplanned projects diverting resources or funding
- ICT eventual location not in Epping

6 ICT IN 2023

By the end of the programme, the new, key features of the EFDC's ICT provision will be:

- Processes:
 - Remote management of PCs and Laptops
 - Flexible Working to be the norm, including the use of telephone and video conferencing
 - Transactional website in place
 - Rationalisation of business systems, and intensification of use of remaining systems
 - System/Data integration to be enhanced
- Organisation:
 - Single ICT Team supporting all major business systems
 - Matrix management of remaining system administrators
 - Enhanced opening for ICT Service Desk
 - Enhanced on call arrangements for out of hours cover
- Information:
 - Replacement intranet hosting key information and collaboration tools such as SharePoint
 - Use of cloud solutions for hosting data
- Technology, tools, equipment, facilities:
 - Common standard for staff computers and telephony – to support mobile and Flexible Working
 - Homeworking technology in place, along with Mobile working applications for key areas
 - Managed non-network laptops standard solution, using Citrix Unified Gateway to connect
 - Servers externally hosted and Email migrated to Exchange Online
 - Office 365 adopted to give flexibility of use and additional benefits
 - SharePoint and MS Teams in place to allow easy sharing of information
 - Collaboration tools in place to allow virtual teams to function
 - All operational sites to have robust wireless network for staff use for all hardware types.

- Operational sites with Customer receptions/meeting rooms will have public wireless network.
- Key infrastructure will be hosted externally on the cloud
- Redundant connections will be installed for Internet access and telephony (SIP Trunk) due to the critical nature of these connections.

7 AFTERWORD

The efficient use of ICT is one of the most cost effective means that the Council can use to meet the challenges that it faces. It is critical that the management of our systems and infrastructure, and the investment in technology is based upon sound business decisions that result in cost effective solutions being implemented to support our services. We must also look at the balance of our funding from capital to revenue funding due to changes in how software is supplied and licensed as more software moves to a subscription model (i.e. cloud based).

This will ensure that investment in technology continues to be timely and appropriate and is made in systems and solutions that:

- Support the overall corporate objectives and deliver on corporate priorities,
- Achieve value for money
- Generate a return on investment
- Maintain essential Council services



SCRUTINY



Epping Forest District Council

Report to: Resources Select Committee

Date of meeting: 17 October 2017

Portfolio: Leader (Councillor C. Whitbread)

Subject: Corporate Plan Key Action Plan 2017/18 – Quarter 1 progress

Officer contact for further information: Monika Chwiedz (01992 562076)

Democratic Services Officer: Adrian Hendry (01992 564246)

Recommendations/Decisions Required:

- (1) That the Committee review the first quarter (Q1) progress of the Corporate Plan Key Action Plan for 2017/18 in relation to its areas of responsibility; and
- (2) That the Committee identifies any actions arising from the Corporate Plan Key Action Plan for 2017/18 Q1 within its areas of responsibility, which require in-depth scrutiny or further report on current progress.

Executive Summary:

The Corporate Plan is the Council's key strategic planning document, setting out its priorities over the five-year period from 2015/16 to 2019/20. The priorities or Corporate Aims are supported by Key Objectives, which provide a clear statement of the Council's overall intentions for these five years.

The Key Objectives are delivered by an annual action plan, with each year building upon the progress against the achievement of the Key Objectives for previous years. The annual action plans contain a range of actions designed to achieve specific outcomes and are working documents are therefore subject to change and development to ensure the actions remain relevant and appropriate, and to identify opportunities to secure further progress or improvement.

The Corporate Plan Key Action Plan for 2017/18 was adopted by Council at its meeting on 27 September 2016. Progress in relation to all actions and deliverables is reviewed by the Cabinet, the Overview and Scrutiny Committee, and the appropriate Select Committee, on a quarterly basis.

Reasons for Proposed Decision:

It is important that relevant performance management processes are in place to review progress 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.

Some actions have cross directorate responsibility. Where this is the case the most appropriate Select Committee is requested to consider the action. This report presents progress against the Key Action Plan for 2017/18 for actions most appropriately considered by the Resources Select Committee.

Other Options for Action:

Actions with cross directorate responsibility could be considered by an alternative Select Committees, or not considered by the Select Committees.

Report:

1. The Corporate Plan 2015-2020 is the Council's highest level strategic document. It sets the strategic direction for the authority for the five year lifetime of the Plan. It focuses on a number of key areas that the Council needs to focus on during that time and helps to prioritise resources to provide quality services and value for money. These key areas are known as the Corporate Aims and are supported by a set of Key Objectives which represent the Council's high-level initiatives and over-arching goals to achieve the Corporate Aims. The Key Objectives are in turn, delivered via an annual Key Action Plan.
2. The Key Action Plan 2017/18 is populated with actions or deliverables designed to secure progress against each of the Key Objectives during 2017/18. During the subsequent years in the lifetime of the Key Objectives, annual action plans will be developed which build on progress achieved during preceding years.
3. The annual action plans are working documents are subject to change and development to ensure that the actions remain relevant and appropriate, and to identify opportunities to secure further progress or improvement. The Leader of Council, in consultation with the Chief Executive, is authorised to agree any further changes to Key Action Plans, following their approval by the Council.
4. Progress against the Key Action Plan is reviewed on a quarterly basis to ensure the timely identification and implementation of appropriate further initiatives or corrective action where necessary. Quarter 1 progress against the individual actions of the 2017/18 Key Action Plan, is as below: In reporting progress, the following 'status' indicators have been applied to the to individual actions:

Achieved (Green) - specific deliverables or actions have been completed or achieved in accordance with in-year targets;

On-Target (Green) - specific deliverables or actions will be completed or achieved in accordance with in-year targets;

Under Control (Amber) - specific deliverables or actions have not been completed or achieved in accordance with in-year targets, but completion/achievement will be secured by a revised target date (specified) or by year-end;

Behind Schedule (Red) - specific deliverables or actions have not been completed or achieved in accordance with in-year targets and completion/achievement may not be secured by year-end; and

Pending (Grey) - specific deliverables or actions cannot currently be fully completed or achieved, as they rely on the prior completion of other actions or are dependent on external factors outside the Council's control.

5. There are 50 actions in total for which progress updates for Q1 are as follows:

• Achieved or On-Target:	46 (92%)
• Under Control:	0 (0%)
• Behind Schedule:	3 (4%)
• Pending:	1 (4%)
Total	50 (100%)

9 actions fall within the areas of responsibility of the Resources Select Committee. At the end of Q1:

- 8 (89%) of these actions have been 'Achieved' or are 'On-Target'
- 0 (0%) of these actions are 'Under Control'
- 0 (0%) of these actions are 'Pending'
- 1 (11%) of these actions are 'Behind Schedule'

6. The Committee is requested to review the Q1 progress against Key Action Plan for 2017/18 as set out in Appendix 1 of this report, and identify any actions that require more in-depth scrutiny or further progress reports.

7. This report will also be considered by the Cabinet on 16 October 2017 and the Overview and Scrutiny Committee on 31st October 2017.

Resource Implications: None for this report.

Legal and Governance Implications: None for this report. Performance monitoring contributes to the delivery of value for money.

Safer, Cleaner, Greener Implications: None for this report.

Consultation Undertaken: The performance information set out in this report has been submitted by each responsible service director.

Background Papers: Relevant documentation is held by responsible service directors.

Impact Assessments:

Risk Management: None for this report.



Equality: None for this report.

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Aim 1. To ensure that the Council has appropriate resources, on an ongoing basis, to fund its statutory duties and appropriate discretionary services whilst continuing to keep Council Tax low


Objective 1.b. To continue to review and develop the Council's own assets and landholdings for appropriate uses, in order to maximise revenue streams and capital receipts, and to deliver the following key projects:

- The Epping Forest Shopping Park, Loughton
- Council Housebuilding Programme
- St John's Redevelopment Scheme, Epping
- North Weald Airfield

Action	Lead Directorate	Target Date	.	Status	Progress notes
12. Produce a plan to implement agreed recommendations from the Service Accommodation Review, to optimise the use of the Council premises	Resources/ Transformation Programme Board	31-Mar-2018		On Target	Q1 - Following a competitive procurement exercise PricewaterhouseCoopers have been commissioned to provide support for Phase 2 of the Accommodation Review. The review is scheduled to report to Cabinet in time for consideration for the 2018/19 budget.
16 Deliver the 2017/18 works from the Facilities Management Programme	Resources	31-Mar-2018		Behind Schedule	Q1 - Several schemes have been put on hold pending the outcome of the Accommodation Review. A revised schedule of works will be presented to Cabinet in the autumn.


Objective 1.c. To explore appropriate opportunities to make savings and increase income through the shared delivery of services with other organisations, where such arrangements would provide improved and/or more cost effective outcomes

Action	Lead Directorate	Target Date	.	Status	Progress notes
5. Provide payroll service jointly with Braintree and Colchester Councils and sign up at least one more partner authority or one other authority to buy in our service, to deliver savings	Resources	31-Mar-2018		On Target	Q1 - The joint working on the payroll service and further development of additional modules continues to go well. Initial discussions have been held with one potential partner but this seems unlikely to proceed at the moment.

6. Implement the recommendations of the Reprographics Service Review, to make savings and improvements to print services	Resources	31-Mar-2018		On Target	Q1 - The review continues to make good progress and shared service opportunities are being discussed with two other authorities.
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Aim 2. To ensure that the Council has a sound and approved Local Plan and commences its subsequent delivery

Objective 2.b. To increase opportunities for sustainable economic development within the District, in order to increase local employment opportunities for residents



Action	Lead Directorate	Target Date	.	Status	Progress notes
2. Provide sustainable employment opportunities for the district's young people through development of the Council's apprenticeship scheme	Resources	31-Mar-2018		On Target	Q1 - Recruitment processes are underway for the new cohort of apprentices.

Aim 3. To ensure that the Council adopts a modern approach to the delivery of its services and that they are efficient, effective and fit for purpose

Objective 3.a. To have efficient arrangements in place to enable customers to easily contact the Council, in a variety of convenient ways, and in most cases have their service needs met effectively on first contact

Action	Lead Directorate	Target Date	.	Status	Progress notes
2. Produce a plan to implement the Workforce Development Strategy, to establish a new common operating model	Resources	31-Mar-2018		On Target	Q1 - A Programme Definition Document has been written and meetings are scheduled in July to share this with Portfolio Holders and the Leadership Team.
4. Deliver customer self-service account facilities for residents and businesses so they can receive their bills electronically	Resources	30-Sep-2017		On Target	Q1 - The system has been set up and tested and will now be publicised to encourage take up.

Objective 3.b. To utilize modern technology to enable Council officers and members to work more effectively, in order to provide enhanced services to customers and make Council services and information easier to access

<i>Action</i>	<i>Lead Directorate</i>	<i>Target Date</i>	<i>.</i>	<i>Status</i>	<i>Progress notes</i>
2. Implement the ICT Strategy to support the Transformation Programme, including mobile and flexible working	Resources	31-Mar-2018		On Target	Q1 - Good progress has been made on both the implementation of the current strategy and the development of the new strategy.
3. Implement use of mobile phone text messages to remind customers when their payment is due	Resources	30-Sep-2017		On Target	Q1 - Testing is progressing well and the target date should be achieved.

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SCRUTINY



Epping Forest District Council

Report to: Resources Select Committee

Date of meeting: 17 October 2017

Portfolio: Finance (Councillor G. Mohindra)

Subject: Key Performance Indicators 2017/18 - Quarter 1 Performance

Officer contact for further information: Monika Chwiedz (01992 562076)

Democratic Services Officer: Adrian Hendry (01992 564246)

Recommendations/Decisions Required:

That the Select Committee reviews Q1 performance in relation to the key performance indicators within its areas of responsibility.

Executive Summary:

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

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

Reasons for Proposed Decision:

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement will be addressed, and how opportunities will be exploited and better outcomes delivered. It is important that relevant performance management processes are in place to review and monitor performance against the key performance indicators to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

Other Options for Action:

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

Report:

1. A range of thirty-two (32) Key Performance Indicators (KPIs) for 2017/18 was adopted by the Finance and Performance Management Cabinet Committee in March 2017. The KPIs are important to the improvement of the Council's services and the achievement of its key objectives, and comprise a combination of some former statutory indicators

and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district, that are the focus of the key objectives.

2. Progress in respect of each of the KPIs is reviewed by the relevant Portfolio Holder, Management Board, and overview and scrutiny at the conclusion of each quarter. This report provides an overview of all KPIs and includes in detail those indicators which fall within the areas of responsibility of the Resources Select Committee
3. A headline end of Q1 performance summary in respect of the KPIs falling within the Resources Select Committee's areas of responsibility for 2017/18, together with a detailed performance report for each of these indicators, is attached at Appendix 1 to this report.

Key Performance Indicators 2017/18 - Quarter 1 Performance

4. The overall position for **all** thirty-two (32) KPIs at the end of the Quarter 1, was as follows:
 - (a) 27 (84%) indicators achieved first quarter target;
 - (b) 5 (16%) indicators did not achieve first quarter target, although 1 (3%) of KPIs performed within the agreed tolerance for the indicator; and,
5. **Resources Select Committee indicators** – six (6) of the Key Performance Indicators fall within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at Q1 for these six (6) indicators, was as follows:
 - (a) 4 (66%) indicators achieved target;
 - (b) 1 (17%) indicator did not achieve target, however this indicator performed within the agreed tolerance for the indicator
 - (c) 1 (17%) indicator performed within its tolerated amber margin.
 - (d) 4 (67%) of indicators are currently anticipated to achieve year-end target.
6. The 'amber' performance status used in the KPI report identifies indicators that have missed the agreed target for the quarter, but where performance is within an agreed tolerance or range. The KPI tolerances were agreed by Management Board when targets for the KPIs were set in March 2017.
7. The Select Committee is requested to review Quarter1 performance for the KPIs within its areas of responsibility. The full set of KPIs was also considered by Management Board on 16 August 2017 and the Finance and Performance Management Cabinet Committee on 14 September 2017.

Resource Implications: none for this report

Legal and Governance Implications: none for this report; however performance management of key activities is important to the achievement of value for money.

Safer, Cleaner, Greener Implications: none for this report

Consultation Undertaken: Relevant Select Committees and the Finance and Performance Management Cabinet Committee.

Background Papers: KPI submissions are held by the Performance Improvement Unit.

Impact Assessments:

Risk Management: none for this report

Equality: none for this report.

Key Performance Indicators 2017/18 – Quarter 1 Performance Report

Appendix 1

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	1.27	✓	3.22			5.43			7.25			Yes
RES002	What percentage of the invoices we received were paid within 30 days?	97%	96%	⛔	97%			97%			97%			No
RES003	What percentage of the district's annual Council Tax was collected?	27.55%	27.64%	✓	52.54%			77.84%			97.8%			Yes
RES004	What percentage of the district's annual business rates was collected?	28.84%	29.25%	✓	53.28%			78.06%			97.8%			Yes
RES005	On average, how many days did it take us to process new benefit claims?	21	22.31	⚠	21			21			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			9			6			Yes

Key Performance Indicators 2017/18 Quarter 1 Performance

Report Author: Monika Chwiedz (Performance Improvement Officer)

Reflecting on our performance:

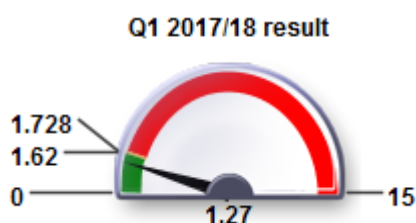
There are 32 KPIs for this year

27 (84%) achieved target and 5 (16%) missed target, however of those missing target 1(3%) performed within their amber tolerance

Six (6) of the Key Performance Indicators fall within the Resources Directorate

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

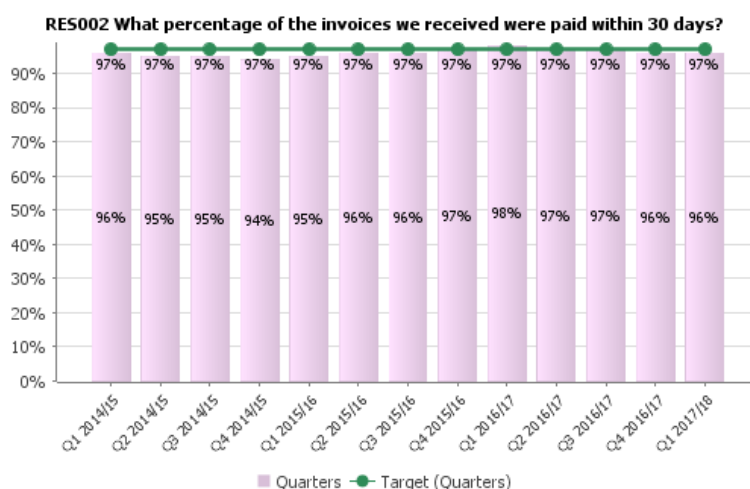
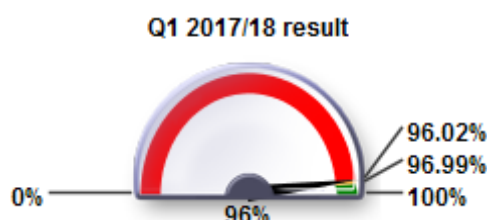
This indicator monitors the level of staff sickness absence across the authority, and supports the implementation of the Council's Managing Absence Policy. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date.



Comment on current performance: This figure is 0.8 below the average of the last three financial year's achieved figures (2.07) for Q1. If all else is equal based on Q1 it is possible we may improve on last year's figures.

RES002 What percentage of the invoices we received were paid within 30 days?

This indicator encourages the prompt payment of undisputed invoices for commercial goods and services.

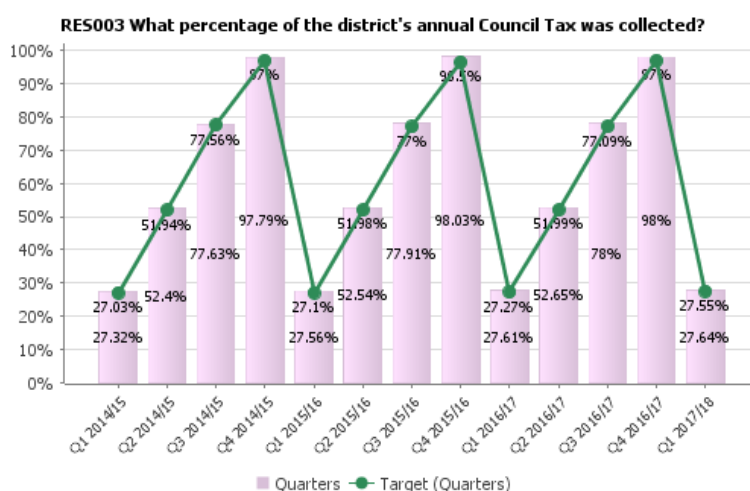
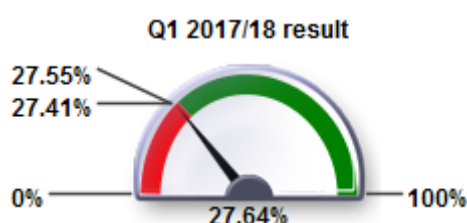


Comments on current performance– Quarter 1 2017/18 performance still below target, Neighbourhoods invoices paid within 30 days was only 91% for the quarter.

Remedial action– A further reminder will be issued to encourage the prompt passing of invoices for payment and reminding the need for notifying Accounts Payable of invoices that need to be placed on dispute.

RES003 What percentage of the district's annual Council Tax was collected?

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



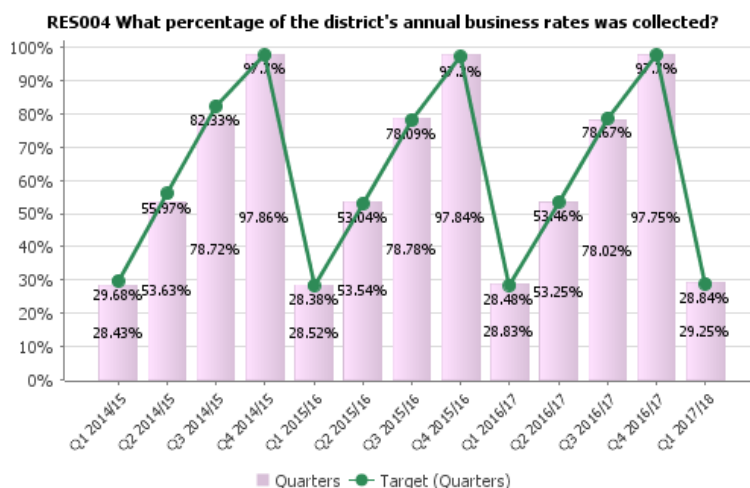
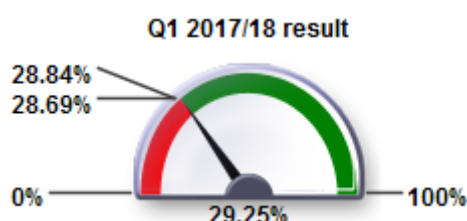
Comment on current performance: Collection is just above the target and previous year's performance

Collectable debit = £86,408,372.97

Payments = £23,883,937.51

RES004 What percentage of the district's annual business rates was collected?

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



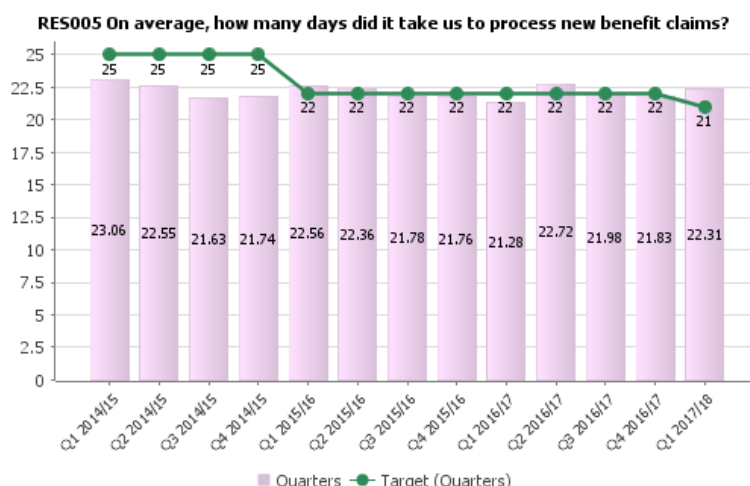
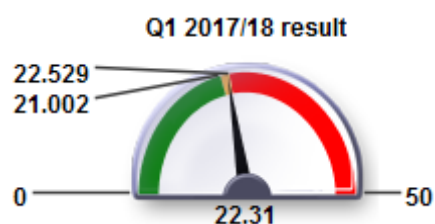
Comment on current performance: Collection is 0.4% up on the target and at the same stage last year

Collectable Debit = £35,947,402.41

Payments = £10,515,763.08

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

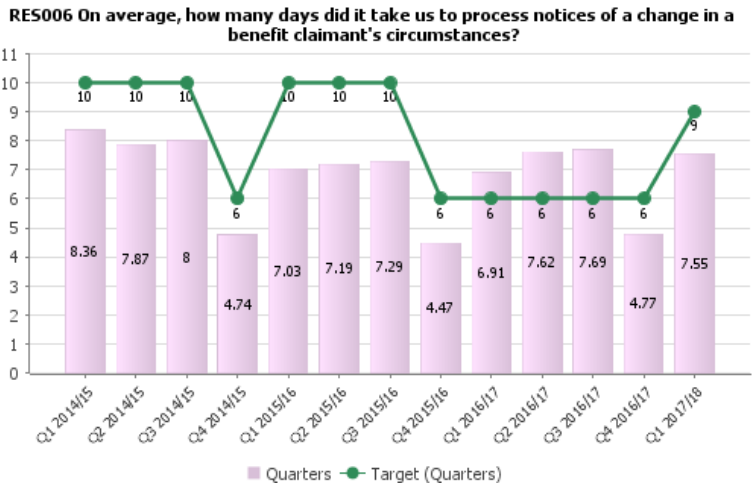
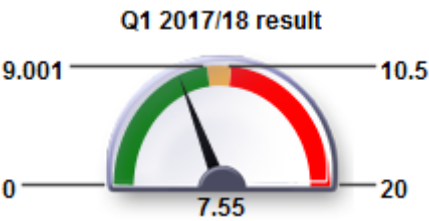
This indicator monitors the administration of Housing and Council Tax Benefit. Targets and performance are measured in days.



Comment on current performance: Performance is monitored on a weekly basis and improvements to processes are made when appropriate. As quarter 1 performance is not quite on target, temporary staff have been employed which should increase the performance in quarter 2.

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

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



Comment on current performance: Currently performance is on target but performance continues to be monitored on a weekly basis and improvements to processes are made when appropriate.

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Report to Resources Select committee

Report reference:

Date of meeting: 17 October 2017

Portfolio: Finance

Subject: Fees and Charges 2018/19

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

Committee Secretary: Adrian Hendry (Ext 4246)



Recommendations/Decisions Required:

That the Committee consider the proposals for the level of fees and charges for 2018/19 and make comments and recommendations as appropriate.

Executive Summary

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

Reasons for Proposed Decision

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

Other options for action

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

Report:

1. The Medium Term Financial Strategy has identified the need to find savings of £700,000 over the four year period with £300,000 falling in 2018/19. The Revenue Support funding has already been set for 2018/19 at £193,000, thereafter it is to be phased out with the Council having to fund all its General Fund services from the Council Tax, Retained Business Rates and Fees and Charges. If these resources are not sufficient the General Fund balance will need to make up the difference.
2. In reality, apart from parking charges, the scope for increased income as a result of increasing fees and charges is relatively limited as regards the General Fund, though less so with the Housing Revenue Account (HRA). For example some are set by Government, some have to be based on cost recovery or subject to a maximum, also the possibility of increases putting people off and actually having the opposite effect to that intended have to be considered.
3. Another option is to introduce fees and charges where they are currently not levied though again there are probably fairly limited opportunities in this area.
4. Inflation has been on the increase recently and Consumer Prices Index (CPI) is now close to 3% and it is proposed to use this as a guide in setting increases.

Communities

5. There are a number of fees and charges made for community and wellbeing activities and those proposed for 2018/19 are listed at Appendix 1.
6. This Committee proposed a review of charges at the Limes Centre particularly the policy of granting a 50% discount to tenants as there was some circumstantial evidence that this policy might be being abused. That review has now been carried out and the proposed approach is for regular users (12 occasions or more) to be able to take advantage of the scale 1 charge and for charities or residents of the district to be eligible for a 20% discount on the scale 2 charge. It is not thought that the level of income will be significantly affected by this change.
7. The Council's Museum, Heritage and Culture (MHC) service levy a number of charges for their services these are shown at Appendix 2 with the proposed charge for 2018/19 also shown. The increases proposed have been considered taking into account the cost of provision and the possibility that organisations will be deterred from using the services.
8. The Schedule of proposed Housing-Related Fees and Charges for 2018/19 is shown at Appendix 3, which also lists the fees and charges for the current year for comparison. Charges relate to both the Housing Revenue Account and the General Fund.
9. Generally, it is recommended that the majority of fees and charges be increased by 3% - rounded up or down as appropriate. The only exceptions to this approach are the following:

Charges for Telecare packages to private users

10. Due to the withdrawing of housing-related Support funding last year, the charges at that time were increased by 37% to £153 per annum. When the charges were increased a number of service users returned their alarms due to the higher cost. Three other authorities in Essex are charging £156, £112 and £82 per annum for the same service. Although some charge more, this is due to them providing a responder service whereby a member of staff goes out to the property at any time of day or night which is very costly and therefore would result in such a higher charge. It is therefore suggested that in order that the service remains competitive the charge remains the same for 2018/19.

Bed and breakfast accommodation

11. A competitive tender exercise was undertaken in 2016/17 amongst bed and breakfast hotels, which resulted in payments to hotels, and therefore the charges passed on to residents, being fixed for a three-year period. Therefore, it is not possible to amend these charges for 2018/19.

Civil Penalties under the Housing and Planning Act 2016

12. The Housing and Planning Act 2016 has introduced a range of measures to supplement existing powers available to councils designed to crack down on the criminal element in the private rented sector, the so called 'rogue landlords'. Councils are now able to impose a Civil Penalty of up to £30,000 as an alternative to prosecution for the following offences under the Housing Act 2004:
 - Failure to comply with an Improvement Notice where a significant hazard exists at a property;
 - Failure to licence a licensable house in multiple occupation;
 - Offences in relation to licensing of houses under Part 3 of the Act
 - Offences of contravening an overcrowding notice; and

- Failure to comply with management regulations in respect of a house in multiple occupation.

The appropriate penalty is decided depending upon the severity of the offence, the track record of the offender and the harm caused to the tenant.

13. This is a new addition to the housing-related fees and charges list.

Governance

14. There are several sources of income to this Directorate, for example, Local Land Charges, Development Control Fees, Pre-application charges and Building Control Fees.
15. There are a number of fees set for work carried out by Legal Services which are listed at appendix 4. It is felt that fees should be increased in order to ensure that costs are covered and therefore it is proposed to increase these by 3%.
16. Industrial Estate Rents are not subject to annual increases as they are negotiated for a period of time before each lease is entered into. The level at which rents can be agreed is influenced by the general state of the economy and the availability of other properties.
17. The charge for a full search should be set based on the costs incurred providing the information. There is still some work to do ascertaining the costs of the provision of additional information required as part of the new CON29 process introduced last year. There have also been difficulties in service delivery and turn-around times are between 25-30 days and it is felt that increasing fees at the moment would be difficult to justify.
18. Development Control fee levels are controlled by Central Government and the levels of income are somewhat dependant on the economic climate and the number and size of planning applications. The Government have proposed that a 20% increase to fees should be made but there is no clear timetable for this to be introduced. At the moment the proposals refer to this being in place in the Autumn, however this now seems unlikely.
19. With regard to pre-application charges that apply to major applications, income is in line with expectations. There is a balance to be struck between charging a reasonable fee to cover costs and charging an excessive amount which may put developers off. It is felt fees should be held at the same level as 2017/18 for 2018/19.
20. Building Control Fees are income to the ring-fenced Building Control Charging Account and therefore do not affect the General Fund directly. Fee income is significantly above expectations at the moment. The team operate in a competitive environment and if fees are set too high work may be lost to the private sector, however equally the fees need to be set at a level that recovers cost. The account was expected to be show a deficit during 2017/18 though some of this was due to the spending of accumulated surpluses from past years to assist with scanning work. The additional income should see the deficit significantly reduced and once the additional scanning costs are removed a position close to break-even is possible. It is therefore proposed to leave charges at current levels

Neighbourhoods

21. The fees and charges relating to neighbourhoods include Car Parking Charges, North Weald Airfield rents and charges, MOT's, various environmental health related charges and Licencing.
22. MOT income is subject to a maximum charge set by the Vehicle Operating Service Agency (VOSA) currently £54.85 The Council's fee is set below this level (£49.00). It is felt that an increase in the fee is likely to see custom move elsewhere so it is proposed that the fee remain at the same level.
23. With regard to Public Hire licences, the fee for the three and five year licences are shown

at Appendix 5. These licences have to be set in line with the Local Government (miscellaneous provisions) Act 1976 these have to be set based on cost recovery. Currently these fees recover their costs in full so an increase could not be justified.

24. With regard to other forms of licensing, some fall under the 2003 Licensing Act and this prescribes the level of fee that can be levied. Others though can be varied subject to a maximum level or can be levied on a cost recovery basis. Licence Fees are generally below the prescribed level and do not recover the cost of provision, in some cases quite significantly. It is therefore felt that these should be increased where appropriate. Details of these fees are shown in Appendix 5.
25. Fees relating to the Gambling Act 2005 can now be set locally. Appendix 6 lists the proposed fees for 2018/19 these are unchanged from 2017/18 apart from small society lotteries which have been increased by £1 to achieve cost recovery.
26. A charge is currently made for the collection of bulk waste and the fee varies depending on the number of items being collected. The amount chargeable to the Council for the collection of bulky waste items is specified under the new waste management contract and this plus an admin fee is levied to users of the service the proposed fees are in Appendix 5 and represent an increase of 3%.
27. There are a number of other miscellaneous fees and charges which are made. The proposed fees are also shown on appendix 5.
28. The general uplift for fees and charges related to the Leisure Centres is specified as being in line with the retail prices index within the leisure contract. If there is any variance from this the contractor has to agree this with the Council in advance of the increase.

Credit Card Charges

29. With effect from 1st April 2018 the Council will no longer be able to pass on the surcharge when a payment is made by credit card. Currently income of between £15,000 and £20,000 is received from such charges and therefore growth on the budget of that amount will be needed in 2018/19.

Conclusion

There are a number of fees and charges made by the Council which in some cases can be increased and in others cannot or an increase cannot be justifiable. The report seeks members views on the level of fees and charges for 2018/19.

Consultations Undertaken

Consultations have been undertaken with various spending officers from directorates. The report will also be considered by the Finance and Performance Management Committee at its meeting in November.

Resource Implications

Additional Income to the General Fund and HRA.

Legal and Governance Implications

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

Safer, Cleaner, Greener Implications

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

Background Papers

Working papers held in Accountancy.

Impact Assessments

Risk Management

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

Equality and Diversity:

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

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

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

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

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

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Main Hall	Charges per hour	
	Scale 1 (Council Tenants)	Scale 2 (Non Council Tenants)
Monday to Friday		
9.00am – 6.00pm	£12.50	£25.00
6.00pm – 10.00pm	£17.50	£35.00
Saturday		
10.00am – 6.00pm	£17.50	£35.00
6.00pm – 11.00pm	£28.00	£48.00
10.00am – 11.00pm	£260.00	£460.00
Sunday		
10.00am – 9.00pm	£28.00	£48.00

Activity Room	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£8.50	£18.50
6.00pm – 10.00pm	£13.50	£23.50
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£13.50	£18.50
6.00pm – 11.00pm	£18.50	£28.50

Meeting Room	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£5.50	£10.50
6.00pm – 10.00pm	£11.50	£22.50
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£10.50	£20.50
6.00pm – 11.00pm	£15.50	£25.50

The Limes Centre – Current Scale of Hire Charges from 1st April 2018

Main Hall	Charges per hour	
	Scale 1 (Council Tenants)	Scale 2 (Non Council Tenants)
Monday to Friday		
9.00am – 6.00pm	£13.00	£26.00
6.00pm – 10.00pm	£18.00	£36.00
Saturday		
10.00am – 6.00pm	£18.00	£38.00
6.00pm – 11.00pm	£29.00	£49.00
10.00am – 11.00pm	£275.00	£500.00
Sunday		
10.00am – 9.00pm	£29.00	£49.00

Activity Room	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£9.00	£19.00
6.00pm – 10.00pm	£14.00	£24.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£15.00	£25.00
6.00pm – 11.00pm	£20.00	£30.00

Meeting Room	Charges per hour	
	Scale 1	Scale 2
Monday to Friday		
9.00am – 6.00pm	£6.00	£12.00
6.00pm – 10.00pm	£12.00	£24.00
Saturday & Sunday (9pm only)		
10.00am – 6.00pm	£12.00	£24.00
6.00pm – 11.00pm	£16.00	£32.00

Community, Health & Wellbeing Activity - Proposed Fees and Charges for 2018/19

Service/Activity	2017/18 Fees	Proposed 2018/19 Fees	Comments
New Horizons Yoga session Indoor Bowls (Epping & Waltham Abbey) David Lloyd Bowls Badminton Boccia Table Tennis	£5.60 £3.70 £4.50 £3.70 £3.70 £3.70	£5.80 £3.80 £4.50* £3.80 £3.80 £3.80	*This was increased by 50p last year and we received a lot of criticism for this therefore we do not feel it should be increased again for 2018/19
Lifewalks	£2.00 per walk £30.00 privilege card for 6 months £58 privilege card for 12 months	£2.00* £30.00 £58	*Easy money for leaders to collect, gets complicated when dealing in pence plus feel this is a premium we can charge for a walk, most walkers purchase a privilege card LVRPA are introducing car park charges from end of Oct 17, this could have a negative impact upon walkers attending, therefore we do not feel we can increase fees if walkers have to pay for parking.
Cycling for Health	£4.00 £8.00	£4.50 £9.00	
Term time Sessions: Badminton Futsal	£4.85 £3.50	£5.00 £3.60	
Holiday Provision Sport Sessions	£5.00	£5.20	
Get Active Sessions	£3.50	£3.60	
Multi-Sport/Activity Camps	£16.00	£16.50	
Play in the Forest	£3.00	£3.00	

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Museums, Heritage & Culture: Fees & Charges

Appendix 2

	Actual 2017/18 £	Proposed (ex VAT) 2018/19 £	VAT Indicator	Percentage Increase	Comments
Images (Private Research & Commercial)					
Private Research:					
A4 Black & White print	£6.00	£6.25	Yes	4.17%	
A4 Colour print	£6.50	£6.75	Yes	3.85%	
A4 Black and white photocopy	£1.00	£1.00	Yes	0.00%	
Digital copy, 300dpi (by email)	£5.00	£5.50	Yes	10.00%	
Digital copy, 300dpi (by email) (over 10 images)	£4.00	£4.50	Yes	12.50%	
Commercial:					
Books					
Local History Groups & Registered Charities	Free	Free			
Cover Page	£200.00	£220.00	Yes	10.00%	
Inner Page	£65.00	£70.00	Yes	7.69%	
TV / Film / Video					
Single Country	£75.00	£80.00	Yes	6.67%	
Worldwide	£150.00	£160.00	Yes	6.67%	
Digital					
300dpi jpeg/tiff per image / single use	£75.00	£80.00	Yes	6.67%	
Web					
Regional based business	£75.00	£80.00	Yes	6.67%	
National / International business	£150.00	£160.00	Yes	6.67%	
Identifications/ Enquiries					
Collections Search Service	Free	Free			
Research Visits	Free	Free			
Identifications Service	Free	Free			
Research Service (fee per hour)	£15.00	£15.00	No	0.00%	
Exhibition Hire					
Anthony Trollope Exhibition (fee per month. Up to 12 week hire)	£150.00	£150.00	No	0.00%	
Romance in Stone - The Pulham Legacy (fee per month. Up to 12 week hire)	£300.00	£300.00	No	0.00%	
Touring Exhibitions (Venues in Eastern Region) per month (minimum 2 month hire)	£50.00	£60.00	No	20.00%	
Touring Exhibitions (Venues Outside Eastern Region) per month (minimum 2 month hire)	£75.00	£90.00	No	20.00%	
Talks and Tours					
1 hour daytime talk within the Borough of Broxbourne / Epping Forest District (per group)	£54.00	£55.50	No	2.78%	
1 hour daytime talk outside the Borough of Broxbourne / Epping Forest District (per group)	£64.00	£65.50	No	2.34%	
1 hour evening talk outside museum but within borough/district (per group)	£64.00	£65.50	No	2.34%	
1 hour evening talk outside the borough/district (per group)	£74.00	£75.50	No	2.03%	
1 hour daytime talk or tour (incl. Behind the Scenes), with refreshments within the museum (per person) <i>minimum group charge of £50</i>	£5.00	£5.00	No	0.00%	New charge
1 hour evening talk or tour (incl. Behind the Scenes), with refreshments within the museum (per person) <i>minimum group charge of £70</i>	£7.00	£7.00	No	0.00%	New charge

Museums, Heritage & Culture: Fees & Charges

Appendix 2

	Actual 2017/18 £	Proposed (ex VAT) 2018/19 £	VAT Indicator	Percentage Increase	Comments
Schools (workshops in school)					
(max 35 pupils per class)					
1 class for 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£40.00	£40.00	No	0.00%	PLEASE NOTE SCHOOL FEES ARE ACADEMIC YEAR SEPT -SEPT
Schools outside Epping Forest/Broxbourne area	£50.00	£50.00	No	0.00%	
2 classes on same day 2 x 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£60.00	£60.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£70.00	£70.00	No	0.00%	
3 classes on same day 3 x 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£80.00	£80.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£90.00	£90.00	No	0.00%	
4 classes on same day 4 x 1 hour					
Epping Forest District and Broxbourne Borough Council Schools	£100.00	£100.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£120.00	£120.00	No	0.00%	
Schools (workshops in museum)					
2 hours (half day) up to two classes					PLEASE NOTE SCHOOL FEES ARE ACADEMIC YEAR SEPT -SEPT
Epping Forest District and Broxbourne Borough Council Schools (Per child) minimum charge £40	£3.00	£3.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area (Per child) minimum charge £40	£4.00	£4.00	No	0.00%	
Self guided visit	Free	Free			
School Topic Box Hire					
Epping Forest and Broxbourne Borough Schools	£40.00	£40.00	No	0.00%	
Schools outside Epping Forest/Broxbourne area	£50.00	£50.00	No	0.00%	
*Special rate save £10 if booked with and delivered on the same day as a workshop					
Workshops/Public Programme					
Family Fun Workshops and Toddler sessions	£1.50	£1.50	No	0.00%	Increased every few years
Half Day Workshops	£8.00	£8.00	No	0.00%	Increased every few years
Full day workshops	£20.00	£20.00	No	0.00%	Increased every few years
Artist-led Workshops 1.5 hrs (incl. materials)	£8.00	£8.00	No	0.00%	Increased every few years
Artist-led Workshops 2 hrs (incl. materials)	£10.00	£10.00	No	0.00%	Increased every few years
Artist-led Workshops 5 hrs/1 day (incl. materials)	£20.00	£20.00	No	0.00%	Increased every few years
Performance ticket (kids theatre shows)	£8.00	£8.00	No	0.00%	Increased every few years
Motiv8 Performance ticket	£8.00	£8.00	No	0.00%	audience feedback suggests we can't put this up every year
Motiv8 Performance ticket Concession price	£5.50	£5.50	No	0.00%	audience feedback suggests we can't put this up every year
eNgage Performance ticket	£12.00	£12.50	No	4.17%	
eNgage Performance ticket Concession price	£9.00	£9.50	No	5.56%	
After School Dance per child per session	£3.50	£4.00	No	14.29%	
Active Assemblies 1 day of training for session leaders (plus travel)	£160.00	£180.00	No	12.50%	
Active Assemblies 20 resource packs	£380.00	£400.00	No	5.26%	
Active Assemblies teacher mentoring over 8 weeks, per group	£50.00	£51.00	No	2.00%	
Active Assemblies session delivery for 8 sessions outside EFDC (plus travel)	£250.00	£260.00	No	4.00%	
Active Assemblies session delivery for 8 sessions EFDC	£180.00	£185.00	No	2.78%	
Creative Homes Arts sessions per session (incl. materials and set up, clear up time)	£65.50	£67.00		2.29%	
Creative Homes Dance sessions per session (incl. materials)	£47.00	£48.00		2.13%	

Museums, Heritage & Culture: Fees & Charges

Appendix 2

	Actual 2017/18 £	Proposed (ex VAT) 2018/19 £	VAT Indicator	Percentage Increase	Comments
Venue Hire					
Lowewood Museum Room (per hour)	£12.50	£12.50	Yes	0.00%	New for the museum and trying to build up and audience for this
Equipment for Lowewood Museum Room (use of projector / screen / flip chart per session)	£25.00	£25.00	Yes	0.00%	New for the museum and trying to build up and audience for this
The Space day rate (per hour) (30 people)	25.00/15.00	£25.00/15.00	Yes	0.00%	New for the museum and trying to build up and audience for this
The Space evening rate (per hour) (30 people)	50.00/35.00	£50.00/£35.00	Yes	0.00%	New for the museum and trying to build up and audience for this
The Space Sunday rate (per hour) (30 people)	£100.00/£80.00	£100.00/£80.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Tudor Gallery and Garden day rate (per hour) (20 people)	35.00/30.00	£35.00/£30.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Tudor Gallery and Garden evening rate (per hour) (20 people)	55.00/45.00	£55.00/£45.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Temp Ex (per hour) (60 people)	120.00/100.00	£120.00/£100	Yes	0.00%	New for the museum and trying to build up and audience for this
Whole Museum (per hour) (200 people)	160.00/150.00	£160.00/£150	Yes	0.00%	New for the museum and trying to build up and audience for this
Tea/Coffee and Biscuits (per person)	£3.00	£3.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Buffet Lunch (per person)	£7.00	£7.00	Yes	0.00%	New for the museum and trying to build up and audience for this
Archaeological Depositions					
Excavations within Borough of Broxbourne (deposited with Lowewood Museum)					
Standard archive box of finds or paper archive	£40.00	£110.00	Yes	175.00%	(New figure set by Hertfordshire as county wide standard - the figure will increase by £10 every year)
Additional fees for items which will not fit into a standard box:					The 2018/19 figure will cover all depositions regardless of size
Per A0 sheet paper or Perspex	£1.50	£0.00		-100.00%	Charge will be removed
Per A1 sheet paper or Perspex	£1.00	£0.00		-100.00%	Charge will be removed
Per A2 sheet paper or Perspex	£0.50	£0.00		-100.00%	Charge will be removed
Per A3 sheet paper or Perspex	£0.25	£0.00		-100.00%	Charge will be removed
Excavations within Epping Forest District (deposited with EFDM)					
Minimum charge per site (includes one finds box and one paper box)	£49.00	£54.00	Yes	10.20%	
Each additional Bulk Finds Box	£35.00	£40.00	Yes	14.29%	
Each additional Small Finds Box	£35.00	£40.00	Yes	14.29%	
Each additional Paper Archive Box	£35.00	£40.00	Yes	14.29%	
Museums Annual Membership					
Annual Individual Membership to both museums (discounted offer in shop and talks, entry to special events)	£16.67	£16.67	Yes	0.00%	Project under review
Junior Individual Membership (up to 16 years) (discounted offer in shop and talks, entry to special events)	£8.33	£8.33	Yes	0.00%	Project under review
Group Membership (up to 5 people of which one member is over 16 yrs) (discounted offer in shop and talks)	£41.67	£41.67	Yes	0.00%	Project under review

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Fees and Charges 2018/19 - HOUSING RELATED SERVICES				Appendix 3	
Service	2017/18		2018/19		
	Amount	Period	Amount	Period	
Older People's Housing					
Communal Halls: Pelly Court Hall, Epping Oakwood Hill Hall, Loughton Barrington Hall, Loughton	£10.10 £141.60 £8.25	per hour per annum per session	£10.40 £145.85 £8.50	per hour per annum per session	
Guest Rooms - Sheltered Housing	£9.35	per person per night	£9.65	per person per night	
Scooter Stores: Rental Electricity	£4.00 £2.05	per week per week	£4.15 £2.15	per week per week	
Sheltered Housing Charges: Scheme Management Charge: <i>Tenants not in receipt of housing benefit</i> <i>Tenants in receipt of housing benefit</i> Intensive Housing Management Charge <i>(Note: Charge not payable by HB claimants)</i>	£10.11 £3.07 £1.78	per week per week per week	£10.40 £3.15 £1.85	per week per week per week	
Area Housing Charges: Scheme Management Charge: <i>Tenants not in receipt of housing benefit</i> <i>Tenants in receipt of housing benefit</i> Intensive Housing Management Charge <i>(Note: Charge not payable by HB claimants)</i>	£2.52 £0.75 £0.45	per week per week per week	£2.60 £0.80 £0.50	per week per week per week	
Careline Charges (Council tenants): Tenants not in receipt of housing benefit Tenants in receipt of housing benefit	£4.38 £1.33	per week per week	£4.50 £1.35	per week per week	
Telecare Packages (Private users): Alarm and up to 4 sensors (Monitoring only) Monitoring of additional sensors (per sensor)	£153.00 £15.50	per annum per annum	£153.00 £15.50	per annum per annum	
Monitoring of alarms for other organisations (per speech module)	£108.75	per annum	£112.00	per annum	
Large Button Telephone	£22.00	per telephone	£22.65	per telephone	
Use of Jessopp Ct Lounge by Essex CC as a Day Centre	£10,240	per annum	£10,545	per annum	
Lease for Jessopp Ct Office to Family Mosaic	Increased each October by the Sept RPI increase				
Home Ownership and Sales					
Leasehold Vendors' Enquiries	£148.60	per enquiry	£153.00	per enquiry	
Certificates of Buildings Insurance - Leaseholders	£47.30	per copy	£48.70	per copy	
Small Land Sales Valuation Charge	£379.00	per sale	£390.40	per sale	
Valuation & Legal Charge - Re-sale of RTB Property within 5 years / Sale of property to EFDC within 10 years	£382.70	per application	£394.20	per application	
Consideration of Right to Re-purchase Former RTB Property within 10 years of Original Purchase	£66.60	per application	£68.60	per application	
Housing Management					
Hire of Halls for Elections	£92.40	per day	£95.10	per day	
Garage rents	£8.50	per week	£8.75	per week	
Hardstandings	£88.00	per annum	£90.65	per annum	
Mortgage references	£43.35	per enquiry	£44.65	per enquiry	
Request for covenant and leasehold approvals	£69.20	per request	£71.25	per request	
Licences for vehicular access across housing land	£115.00	per annum	£118.50	per annum	
Dishonoured cheques	£26.85	per cheque	£27.65	per cheque	

Homelessness				
Homeless Hostel Accommodation:				
One Room	£48.80	per week	£50.25	per week
Two Rooms	£76.25	per week	£78.55	per week
Three Rooms	£102.65	per week	£105.70	per week
Chalets	£88.90	per week	£91.55	per week
Bed and Breakfast Accommodation (Contracted rates):				
Single Room	£42.10	per night	£42.10	per night
Double Room	£50.05	per night	£50.05	per night
Repairs and Maintenance				
Condition surveys to respond to Party Wall Act Notices	£78.25	per Notice	£80.60	per Notice
Copies of Structural Reports on RTB Properties	£38.70	per report	£39.85	per report
Rechargeable repairs	2.0%	increase in all charges	3.0%	increase in all charges
Replacement Door Entry and Suited Keys	£14.60	per key	£15.00	per key
Sewerage charges for individual sewerage systems	2.0%	increase in all charges	3.0%	increase in all charges
Caring and Repairing in Epping Forest (CARE) Service				
Caring And Repairing in Epping Forest (CARE) Fees:				
Disabled facilities grants and Decent Homes loans	15%	of works cost	15%	of works cost
Small Works Repayable Assistance	10%	of works cost	10%	of works cost
C.A.R.E Handyperson Service:				
<i>Clients in receipt of means-tested benefits:</i>				
General jobs	£32.50	Maximum charge per visit	£33.50	Max. charge per visit
Falls prevention and home safety checks/works	Free		Free	
Garden maintenance - First visit	Free	per visit (up to 2 hours)	Free	per visit (up to 2 hours)
- Second visit	Free	per visit (up to 2 hours)	Free	per visit (up to 2 hours)
<i>Clients <u>not</u> in receipt of means-tested benefits:</i>				
General jobs	£53.50	Maximum charge per visit	£55.10	Max. charge per visit
Falls prevention and home safety checks/works	£26.70	Maximum charge per visit	£27.50	Max. charge per visit
Garden maintenance	£26.70	per visit (up to 2 hours)	£27.50	Max. charge per visit

Private Sector Housing

Licences - HMOs (Initial & Renewal): 3 storey HMO with up to 5 units of accommodation Additional units of accommodation	£715.00 £66.60	per licence per additional unit	£736.50 £68.60	per licence per additional unit
Landlord Accreditation Scheme for Student Accom: Bed-sit 1-2 bedroom flats House/bungalow with up to 6 bedrooms 3 storey houses (non-licensable)	£52.40 £104.90 £157.30 £183.50	per property accredited per property accredited per property accredited per property accredited	£53.95 £108.00 £162.00 £189.00	per property accredited per property accredited per property accredited per property accredited
Park Homes Licensing Fees: Site licence fees Depositing of site rules				
	In accordance with EFDC's Fees Policy for Licensing Residential Park Home Sites			
	£139.40	per deposit	£143.60	per deposit
Penalty charges for private landlords Failing to provide appropriate smoke and carbon monoxide alarms (Smoke and Carbon Monoxide Alarm (England) Regulations 2015) Fine for Lettings Agencies and Property Agencies failing to join a Government-approved Redress Scheme Civil Penalty Notices for certain Housing Act 2004 offences	£5,000 £5,000	per incidence (unless extenuating circs.) per incidence (unless extenuating circs.)	£5,000 £5,000	per incidence (unless extenuating circs.) per incidence (unless extenuating circs.)
	New charge		Up to £30,000 per notice	
Property inspections for immigration applications: 1 or 2 Bed Property 3 Bed Flat Property 4 Bed Property	£85.00 £114.00 £157.00	per inspection per inspection per inspection	£87.50 £117.50 £162.00	per inspection per inspection per inspection
Enforcement of private sector housing conditions - Housing Act 2004 and Mobile Homes Act 2013 1-4 Hazards: 1 Bed Property 2 Bed Property 3 Bed Property 4 Bed Property 5 or 6 Bed Property > 6 Bed Property or HMO 5 or more Hazards: 1 Bed Property 2 Bed Property 3 Bed Property 4 Bed Property 5 or 6 Bed Property > 6 Bed Property or HMO	£342.00 £385.00 £428.00 £513.00 £556.00 £670.00 £428.00 £470.00 £513.00 £612.00 £655.00 £726.00	per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement	£352.00 £396.00 £441.00 £528.00 £571.00 £690.00 £441.00 £484.00 £529.00 £630.00 £675.00 £748.00	per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement per enforcement
General percentage uplift for next year	3.0%			

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LEGAL FEES – 2017/18
& Proposed 2018/19

	<u>2017/18</u>	<u>2018/19</u>
1. Property Transactions		
1.1 Redemption of Mortgages	£148.00	£152.00
1.2 Transfers of Equity	£286.00	£295.00
1.3 Sale of Land	£418.00	£431.00
1.4 Repayment of Discount and Postponement of Legal Charge	£140.00	£144.00
1.5 Deed of Release of Covenant	£258.00	£266.00
1.5.1 Deed of Covenant + Application to Cancel Land Charges Entry (Form K11)	£112.00	£115.00
1.6 Second Mortgage Questionnaires	£103.00	£106.00
1.7 Licence to cross land/occupy land	£418.00	£431.00
Licences to cross housing land	£125.00	£128.00
1.8 Leases		
(a) Shops	£750.00	£773.00
(b) Industrial (e.g. Oakwood Hill and North Weald)	£750.00	£773.00
(c) Leases contracted out of Landlord and Tenant Act 1954 provisions	£179.00	£184.00
(d) New Lease extending Term (residential)	£531.00	£547.00
1.9 Licences granted pursuant to a lease		
(a) To Assign (add £63.00 if surety)	£390.00	£402.00
(b) For Alterations	£390.00	£402.00
(c) For Change of Use	£390.00	£402.00
(d) To sublet	£390.00	£402.00
1.10 Deed of Surrender of Lease	£388.00	£400.00
1.11 Combined Surrender/Licence	£467.00	£481.00
1.12a Transfer of Lease and Notification of Mortgage (RTB)	£63.00	£65.00
1.12b For commercial leases	£86.00	£89.00
1.13 Deed of Variation (if they produce)	£189.00	£195.00
1.14 Deed of Variation (Legal prepare)	£304.00	£313.00
1.15 Consent for restriction (Land Registry)	£63.00	£65.00

		<u>2017/18</u>	<u>2018/19</u>
2.	Planning Agreements		
2.1	S106 Agreement - routine	£624.00	£643.00
2.2	S106 Agreement – complex	Time recorded.	
2.3	S106 Agreement including Minor Highway Works	£624.00	£643.00
2.4	S106 Agreement including Major Highway Works	£839.00	£864.00
2.5	Unilateral Undertaking - routine	£346.00	£356.00
2.6	Unilateral Undertaking - Complex	Time recorded.	
2.7	Variation/Revocation of S106 Agreement or Unilateral Undertaking	£417.00	£430.00
3.	Photocopying		
3.1	Abstract of Title	£9.70 £1.80 for each Deed	£10.00 £1.85 for each Deed
3.2	Other	A4 –£0.87 per page A3–£1.28 per page Add £2.80 for P&P	A4-£0.90 per page A3-£1.32 per page Add £2.88 for P&P
3.3	Any Document that can be obtained as office copies from the Land Registry not in connection with a redemption or other current matter for each document	£9.70 plus £3.05 for P&P	£10.00 plus £3.14 for P&P
3.4	Additional charge for faxing documents/letter	£0.87 per page	£0.90 per page

Neighbourhoods**Appendix 5****Proposed fees & charges for 2018/19**

Service area	2017/18		Proposed 2018/19		Notes
	Application/ Event	Renewal	Application/ Event	Renewal	
Environmental Health					
Training					
Basic food hygiene course	£73.00		£75.00		6 courses 10 per course
Basic health & safety course	£63.00		£65.00		
Animal welfare					
Animal boarding – half day	£313.00	£215.00	£180.00	£124.00	
Animal boarding – full day	£313.00	£215.00	£322.00	£221.00	
Dog breeding – half day	£313.00	£215.00	£180.00	£124.00	
Dog breeding – full day	£313.00	£215.00	£322.00	£221.00	
Pet Shops	£313.00	£215.00	£322.00	£124.00	
Dangerous wild animals	£684.00	£464.00	£705.00	£478.00	
Riding establishment – Half Day	£684.00	£575.00	£393.00	£331.00	
Riding Establishment – Full Day	£684.00	£575.00	£705.00	£478.00	
Stray dog					Set by Waltham Forest as part of contract with them
Dog home boarding fee	£70.00		£72.00		.
Zoo's	£553.00		£570.00		
Licensing.					
Hackney Carriage/Private Hire					
Annual Vehicle Licence	£277.00	£277.00	£277.00	£277.00	Subject to Statutory consultation
Annual Driver's Licence	£186.00	£186.00	£186.00	£186.00	Subject to Statutory consultation 3 year licence
Vehicle plate	£30.00		£30.00		Initial fee, refundable on return
Driver badge	£10.00		£10.00		
Drivers Test	£40.00		£40.00		Refundable if 2 days notice of cancellation

Service area	2017/18		Proposed 2018/19		Notes
	Application/ Event	Renewal	Application/ Event	Renewal	
					given
Drivers re-sit of test	£21.00		£21.00		Refundable if 2 days notice of cancellation given

Service area	2017/18		Proposed 2018/19		Notes
	Application/ Event	Renewal	Application/ Event	Renewal	
Private Hire Operators					
Annual operator licence (1 vehicle only)	£105.00		£105.00		Subject to Statutory consultation, 5 year licence
Annual Operators (> 1 vehicle)	£405.00		£405.00		Subject to Statutory consultation, 5 year licence
Plate exemption	£88.00		£88.00		
Gambling Act 2005					
See separate sheet					
Miscellaneous					
Special treatment premises	£162.00		£167.00		
Special treatments person	£87.00		£90.00		
Sex Shops and Cinemas	£540.00	£540.00	£556.00	£556.00	
Sexual Entertainment Venues -	£4,200.00	£2,100.00	£4,325.00	£2,160.00	
Street Trading Consents	£398.00	£398.00	£410.00	£410.00	If not successful at sub-committee then half fee refunded
Scrap Metal Dealers	£393.00		£405.00		3 year licence
Scrap Metal Sites	£236.00		£243.00		3 year licence
Road Closure Notices	£176.00		£181.00		
Licensing Act 2003					<p>All fees set by statute based upon premises rateable value plus occupancy for premises holding more than 5,000 people. Personal licences valid for 10 years</p> <p>EFDC cannot amend these charges, therefore not included in this table</p>

Gambling Act 2005

Betting Premises	New application		Annual fee		Variation, Transfer, Re-instatement		
	Current	Proposed	Current	Proposed	Current	Proposed	
Betting premises (not tracks)	£1,220.00	£1,220.00	£610.00	£610.00	£1,220.00	£1,220.00	

Betting Premises	Licence copy		Notification of change	
	Current	Proposed	Current	Proposed
Betting premises (not tracks)	£30.00	£31.00	£30.00	£31.00

Waste management

Bulky household waste

Item	Current	Proposed	Notes	
1 to 3 items	£24.50	£25.00	50% concession for those on HB	Contract plus Admin. Fee
4 to 7 items	£36.50	£37.50	50% concession for those on HB	Contract plus Admin. Fee
8 to 10 items	£48.00	£49.50	50% concession for those on HB	Contract plus Admin. Fee
11 to 15 items	£61.00	£63.00	50% concession for those on HB	Contract plus Admin. Fee
More than 15 items	Assessment	Assessment	50% concession for those on HB	

Street Numbering and Naming Charges

Item	Current	Proposed	Notes	
House Name Change/ Addition	£52.50	£54.00	Per property	
Development of 1+ properties	£52.50	£54.00	For first property	
	£18.00	£18.50	Per additional property	
Changes in initial development after initial notification	£52.50	£54.00	For first property	
	£18.00	£18.50	Per additional property	
Renaming of street at residents request	£52.50	£54.00	For first property	
	£18.00	£18.50	Per additional property	
Confirmation of postal address details	£2.85	£2.95	Per certificate issued	
	£18.00	£18.50	Per property involved	

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Fee Type Permit Type	Application fee	Annual fee	Renewal fee	Transitional Application Fee
FEC Gaming Machine	£306.00	N/A	£306.00	£102.00
Prize Gaming	£306.00	N/A	£306.00	£102.00
Alcohol Licences Premises – Notification of 2 or less machines	£51.00	N/A	N/A	N/A
Alcohol Licences Premises – More than 2 machines	£153.00	£51.00	N/A	£102.00
Club Gaming Permit	£204.00	£51.00	£204.00	£102.00
Club Gaming Machine Permit	£204.00	£51.00	£204.00	£102.00
Club Fast-track for Gaming Permit or Gaming Machine Permit	£102.00	£51.00	£204.00	N/A
Small Society Lottery Registration	£42.00	£22.00	£22.00	N/A

Permit - Miscellaneous Fees

	Change of Name £	Copy of Permit £	Variation £	Transfer £
FEC Permits	£26.00	£16.00	N/A	N/A
Prize Gaming Permits	£26.00	£16.00	N/A	N/A
Alcohol Licences Premises – Notification of 2 or less machines	£51.00	N/A	N/A	N/A
Alcohol Licences Premises – More than 2 machines	£26.00	£16.00	£102.00	£26.00
Club Gaming Permit	N/A	£16.00	£102.00	N/A
Club Gaming Machine Permit	N/A	£16.00	£102.00	N/A
Small Society Lottery Registration	£42.00	£22.00	N/A	N/A

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