

## Select Committee Agenda



### **Stronger Council Select Committee Tuesday, 16th November, 2021**

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

**Council Chamber - Civic Offices**  
on **Tuesday, 16th November, 2021**  
at **7.00 pm**

**G Blakemore**  
Chief Executive

**Democratic Services  
Officer**

Adrian Hendry, Democratic Services  
Email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

#### **Members:**

Councillors P Bolton (Chairman), T Matthews (Vice-Chairman), R Bassett, P Bhanot, H Brady, R Brookes, J Jogia, H Kane, R Morgan, S Neville and J M Whitehouse

**SUBSTITUTE NOMINATION DEADLINE:**

**6:00 pm**

#### **1. WEBCASTING INTRODUCTION**

This meeting is to be webcast. Members are reminded of the need to activate their microphones before speaking. The Chairman will read the following announcement:

“The Chairman would like to remind everyone present that this meeting will be broadcast live to the internet (or filmed) and will be capable of repeated viewing (or another use by such third parties).

If you are seated in the lower public seating area it is likely that the recording cameras will capture your image and this will result in the possibility that your image will become part of the broadcast.

This may infringe your human and data protection rights and if you wish to avoid this you should move to the upper public gallery.”

#### **2. APOLOGIES FOR ABSENCE**

#### **3. SUBSITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

To report the appointment of any substitute members for the meeting.

**4. NOTES OF PREVIOUS MEETING (Pages 5 - 14)**

To agree the notes of the meeting of the Select Committee held on 14 September 2021.

**5. DECLARATIONS OF INTEREST**

To declare interests in any item on the agenda.

**6. TERMS OF REFERENCE & WORK PROGRAMME (Pages 15 - 18)**

(Chairman/Lead Officer) The Overview and Scrutiny Committee has agreed the terms of reference and work programme for the select committee. Members are invited at each meeting to review both documents.

**7. CORPORATE PERFORMANCE REPORTING - CORPORATE PLAN ACTION PLAN (Pages 19 - 44)**

To consider the attached report and note the progress of project delivery against Q2 milestones.

**8. UPDATED MEDIUM-TERM FINANCIAL PLAN 2022/23 TO 2026/27 (Pages 45 - 66)**

To consider the attached update on the Medium Term Financial Plan.

**9. CAPITAL PROGRAMME UPDATE 2022/23 TO 2026/27 (Pages 67 - 78)**

To consider the attached report updating the Capital Programme.

**10. QUARTER 2 BUDGET MONITORING REPORT 2021/22 (Pages 79 - 90)**

To consider the attached report which sets out the 2021/22 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th September 2021 ("Quarter 2").

**11. ACCOMMODATION CLOSURE REPORT (Pages 91 - 110)**

As agreed by the Select Committee in July 2021, to receive a closure report for any major project that were finished.

The Select Committee to note and discuss the closure report for the accommodation project.

**12. DATES OF FUTURE MEETINGS**

To note the next meeting date of this Committee will be held on:

18 January 2022;  
03 March 2022; and  
14 April 2022.



This page is intentionally left blank

**EPHING FOREST DISTRICT COUNCIL  
NOTES OF A MEETING OF STRONGER COUNCIL SELECT COMMITTEE  
HELD ON TUESDAY, 14 SEPTEMBER 2021  
IN COUNCIL CHAMBER - CIVIC OFFICES  
AT 7.00 - 8.59 PM**

<b>Members Present:</b>	P Bolton (Chairman), , R Bassett, J Jogia, H Kane (Chairman of the Council), A Lion, R Morgan, S Neville (Leader of the Green Party Group), C P Pond (Leader of the Loughton Residents Association Group) and J H Whitehouse
<b>Co-opted Member:</b>	
<b>Other members present:</b>	S Kane, S Murray, J Philip and D Sunger
<b>Apologies for Absence:</b>	P Bhanot, H Brady, R Brookes and J M Whitehouse (Leader of the Liberal Democrat Group)
<b>Officers Present</b>	A Hendry (Democratic Services Officer), A Small (Strategic Director Corporate and 151 Officer), C Hartgrove (Interim Chief Financial Officer), W MacLeod (Senior Electoral Services Officer), L Miles (Policy & Strategy Analyst), S Mitchell (PR Website Editor), R Moreton (Corporate Communications Officer) and G Woodhall (Team Manager - Democratic & Electoral Services)

---

## 10. WEBCASTING INTRODUCTION

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

## 11. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

The Committee noted that Councillor A Lion would substitute for Councillor H Brady, Councillor J H Whitehouse would substitute for Councillor J M Whitehouse and Councillor C P Pond would substitute for Councillor R Brookes for the duration of this meeting.

## 12. NOTES OF PREVIOUS MEETING

### Resolved:

That the notes of the meeting held on 20<sup>th</sup> July 2021 were agreed as a correct record.

Councillor Lion asked about the Corporate Performance report which was sparsely populated and was concerned that had not been subsequently dealt with and wondered if we would be seeing a report in response. Mr Small (Strategic Director/S151 officer) responded that because of the date of the meeting the second quarter data was not available but in future if the updated data was not available, they would at least bring the completed data for the previous quarter.

**13. DECLARATIONS OF INTEREST**

(a) Pursuant to the Council's Code of Member Conduct, Councillor R Bassett declared a personal interest in item 9, Qualis Quarterly Monitoring Report, Q3 2020/21, by virtue of being on the Qualis board. The Councillor had determined that his interest was non-pecuniary and he would remain in the meeting for the consideration of this item but not take part in any discussions.

**14. TERMS OF REFERENCE & WORK PROGRAMME**

The Select Committee noted their terms of reference and work programme.

**15. PRESENTATION FROM COUNCIL'S LEVEL 2 APPRENTICES**

The Committee noted that due to unforeseen circumstance the presentation due for this meeting could not be given. This item will be moved to a future meeting.

**16. EQUALITY POLICY**

Lorraine Miles the Policy and Strategy Analyst introduced the report on the updated Equality Policy. She noted that the Equality Act 2010 and Public Sector Equality Duty 2011 required public authorities to set and publish at least one Equality Objective every four years to demonstrate how they would eliminate discrimination and advance equality. They also required public authorities to publish information to show their compliance with the Public Sector Equality Duty at least annually. Typically, this takes the form of an annual Equality Report or Statement. In addition to the Equality Act, the Council has a statutory duty to reduce health inequalities many of which were associated with protected characteristics under the Equality Act.

Our new Equality Objectives built on our previous objectives. They focused on what we would do to advance equality and how we would do it. The following Equality Objectives (2021-2025) were recommended to and agreed by Cabinet.

- Equality Objective 1: To develop, and deliver in partnership, a District-level approach to growth and recovery that builds, and can demonstrate, an Epping Forest that works for all.
- Equality Objective 2: To drive improvement in service delivery through the use of equality data and data on socio-economic deprivation.
- Equality Objective 3: To develop a research and consultation strategy to understand the needs and experiences of our communities with a clear pathway or process to embed their knowledge and experience into service design, development and delivery.
- Equality Objective 4: To understand, and evidence, the impact of our workforce initiatives on improving equality.

Proportionality was key in setting our objectives. We only had to publish one objective, but we have set four in order to be able to show progress made.

Councillor Janet Whitehouse commented that this was an interesting report. She noted it mentioned that the Equality Impact Assessment was to be reviewed; she thought it was too long with too many pages that not everyone read. She hoped the Equality Impact Assessment would be produced in a different way in the future. However, she did not ask for an explanation as the officer was not there in person

but on Zoom. Mr Small noted that bringing in an officer was not necessarily the most efficient way to deliver items. We had the ability to have hybrid meetings and this cuts out a lot of travel time. And, we were also looking to improve the sound quality in the Chamber. On the equality impact assessment, we may need to change the way we do this, and officers shall consider how it can be streamlined.

Councillor Lion noted it was an interesting and detailed report. How was this report going to be turned into an action plan and how would it be monitored? There was also a reference to a digital strategy; how would this be implemented and what actions were associated with equality? Ms Miles noted that in this digital age it was about digital inclusion and she wanted to bring that out in the report. It was about how we mainstreamed digital inclusion into our digital strategy, and it was embedded into other strategies and plans. Mr Small added that we would also engage with our Community Team to see how we could translate this into a separate piece of action. The Chairman asked if this would entail liaising with the ward councillors. Ms Miles agreed that this was point one of the action plan. Councillor Lion asked if there was something that would come back to this committee to be monitored. He was told that officers already had a duty to monitor performance against the delivery of their policy and could bring back a report when they had a more detailed plan.

Councillor H Kane noted that we did not have the original policy and so could not compare any changes. She was told that the last one was produced in 2016/17 and was referenced in the paper. This was also essentially a brand new policy. It was refreshed every four years and did not really build on the previous policy. It was not an update but a brand new set of objectives for the Council to deliver over the next four years.

The Portfolio Holder responsible, Councillor Sunger, noted that we were expected to do this as a matter of course. Also, officers could now work from home and have that choice; if you have any questions you could always email the officer concerned in advance of the meeting.

Councillor Murray commented that he thought for effective scrutiny, being face to face with an officer was much better. Going forward members may want to decide on which items they would like the officers present or not. This report did highlight certain areas of deprivation in Loughton. As this was a high level strategic report rather than service delivery on the ground, it was pointing to where we should be focusing on work and service delivery. Perhaps this should be monitored by the Stronger Communities Select Committee. Mr Small replied that the objectives of the report were to identify and understand what was required. Once identified we could focus on what to do about it.

#### **RESOLVED:**

- 1) That the Select Committee reviewed and commented on the Equality & Inclusion Policy and the Equality Objectives it contained; and
- 2) That the Select Committee agreed that a public consultation on the Equality Objectives be undertaken.

#### **17. CHANGE IN ORDER OF THE AGENDA**

With the permission of the Chairman and the Committee, agenda item 10 (Review of Elections 2021) was brought forward.

**18. REVIEW OF ELECTIONS 2021**

The Team Manager – Democratic and Electoral Services, G Woodhall, introduced the report on the May 2021 elections. This report reviewed the planning processes and implementation of the following elections held on 6 May 2021:

- (a) Police, Fire & Crime Commissioner for Essex;
- (b) County Council;
- (c) District Council;
- (d) Parish & Town Councils.

In the opinion of the Returning Officer, the planning, management and delivery of all relevant processes for these elections was effective, especially given the circumstances under which these elections were held. The management and delivery of these elections had been reviewed by the Elections Planning Group – chaired by the Returning Officer – and any issues arising had been included within the report. Candidates and Agents involved in these elections had also been consulted and their responses were summarised within the report.

Due to the advent of the Covid-19 pandemic in the Spring of 2020, the elections due for the Essex Police, Fire & Crime Commissioner, 21 wards of the District Council and 14 of the District's Town and Parish Councils were postponed from their original date of May 2020. In time, the Government decided to hold these elections in May 2021, and they were combined with the elections already scheduled for this date for Essex County Council.

The United Kingdom was still under restrictions due to the pandemic, when these elections were held. This necessitated certain changes to the arrangements for operating Polling Stations, with 'one-way' systems being used for larger stations or a 'one-in-one-out' system for the smaller stations. The operation of the Count also had to be re-thought, as there was a requirement to ensure that the Count Staff were socially distanced from each other whilst counting. In addition, with four elections being held simultaneously, the Count could not be completed in one session. Therefore, the Council could not use its normal venue of Debden Park High School, and the use of an aircraft hangar at North Weald Airfield from Weald Aviation was secured.

Finally, it was noted that the Council had also recently received notification that the Local Government Boundary Commission for England intended to undertake a full review of the Council's size in terms of the number of Councillors and ward boundaries, which would culminate in all-out District Council elections in May 2024. The Council was overdue a review as the last such exercise took place in 1998. A briefing for Members would be held in the Autumn to provide further information.

Councillor Neville thanked the election team for enabling the elections to be run smoothly that day. He was not keen on the use of the Hanger as it had heating issues, but he was not sure that the conference suite would be big enough. He was glad the virtual briefing was well received and had greater numbers attending. It



was a tough set of elections with so many in one day; but a good test run if we had to do it again.

Councillor Lion concurred with Councillor Neville, everything ran smoothly and was managed effectively. The hanger was cold, but we had to have the verification that night. Officers did a splendid job, especially Wendy Macleod (Senior Electoral Services Officer) who made things happen. He was unsure what could be learnt from this as it was a unique situation.

Councillor Janet Whitehouse said it was an important report and she congratulated everyone involved. Unfortunately, she missed the item in the Bulletin asking for comments. She would like to have any new Councillors voted in, identified and introduced on the night. She also had concerns that were also raised in the report about using staff at the polling stations and at the count, what did other authorities do? Mr Woodhall replied that it was not so much the fact that we are the only council that used staff, but more the way our various teams worked (well) together, such as the Corporate Communications Team. Also, not everyone who worked on the elections were council staff. Ms Macleod added it was to do with the integration with elections with other departments such as facilities ensuring that staff had access to the offices late at night to bring equipment back; other councils did not have that helpfulness from other departments, whereas we are very lucky to have this cooperation within the council.

Councillor H Kane congratulated the officers concerned, especially Ms Macleod's team and everyone who manned the Polling Stations. It had been a very difficult year, but it all worked very smoothly. It was very cold in the hanger, but there was nothing we could we do about that.

Councillor Bassett asked if the use of postal votes had increased from last year; what percentage was it at now. Also, when were they sent out and when did they have to come back. He was told that they had only seen a slight increase; they were expecting a larger one because of Covid. Over time it had grown steadily and was now between 10 and 15%, as it varied considerably due to what type of elections we were having. Ballot packs could be returned up to 10pm on election day. They went out two weeks before election day, the day after the deadline for registration for postal vote applications.

Councillor Bassett then asked if there was any delayed post that came in late. He was told that officers had not seen any increase this year; there were always a few. The Post Office did a sweep whereby they delivered to us any that had been posted on election day.

Councillor Morgan asked if there was any more information on the local boundary review. He was told that this was just beginning now, officers had their first meeting with the Local Government Boundary Commission last week and were now looking for a date to hold a group leaders meeting and then a members briefing; preferably on the same night. They would be looking at the number of Councillors and at the Ward boundaries. Our last review was in 1998 so we were overdue for one. There will be public and member consultations, which will culminate in all out elections in 2024.

Councillor Murray expressed his concern over a polling station in his Loughton Roding ward which saw large queues building up and long waiting times. This problem seemed unique to this station and as far as he knew did not happen

elsewhere. His formal comments had been reproduced in the report along with the election teams reply.

Mr Small noted that this had been a perfect storm for the election this year with multiple elections and Covid. His overall impression was that it had been carried out extremely well given the circumstances, making sure people were socially distanced and Covid safe in buildings they were just not designed for this type of use. Most stations had queues at different points of the day. It was a difficult thing to manage and difficult to anticipate and we never really knew how some of the sites would operate while trying to maintain distancing at the same time. If we did it again, we would know a lot better. The hanger was mentioned, we were grateful to have such a large space, but it was a very large space to heat. We do as a Council rely heavily on council staff to help us on the day and for the other volunteers. He had not seen the successful candidates introduced at any other elections he had attended but knew that it did happen at national elections but not at local ones, just because of the time it took to do. The thanks we get from members to the staff was really appreciated and he wanted to add his thanks to them as well.

Councillor H Kane noted that there were some isolated cases where things did not run so smoothly, and we should take some lessons from them.

Councillor Murray still did not think he had received an adequate explanation but would be happy to receive this away from the meeting. He went on to say that if he were part of this committee, he would be asking for a report on the new legislation coming on election law, especially on voter ID and the financial implications, coming in and how they would affect the council.

Councillor S Kane noted that there had been queues in Waltham Abbey, particularly at one large Polling Station responsible for many thousands of voters. Problems were caused by the internal design of the building which we had no control over. Generally, people seemed content with this and accepted this with their usual stoicism with no dissent shown.

Councillor Neville proposed that the Committee receive a report on the consequences of voter ID and any cost implications. This was agreed by the Committee.

**RESOLVED:**

- (1) The Committee reviewed the management and delivery of the Elections held on 6 May 2021;
- (2) The Committee considered any proposals of the Returning Officer for changes to the arrangements for the management and delivery of Elections in future years;
- (3) No specific recommendations were made to the Returning Officer for further changes to the future management and delivery of Elections; and
- (4) That the impending review of the size of the Council and ward boundaries by the Local Government Boundary Commission for England was noted; and
- (5) A report be brought to a future meeting on the consequences of voter ID and any financial implications this may involve.

**19. QUALIS QUARTERLY MONITORING REPORT - Q3 2020/21**

The Strategic Director / S151 officer, Andrew Small introduced the third quarter Qualis Monitoring report for 2020/21. This report presented the third Quarter's monitoring report for the Qualis trading year 2020/21 and covered the period from 1 October 2020 to 30 June 2021. Because of the fall of meeting dates this report was being considered by Stronger Council Select Committee one day after Cabinet had considered the same paper. Comments made by the Select Committee would therefore be relayed directly to the Portfolio Holder.

Performance was measured against the business plan targets for 2020/21. The Board report highlighted performance against these using the recognised Red, Amber, Green reporting system (RAG). Noting the objectives flagged as Amber or Red and the explanations provided, Qualis has again performed in line with expectations during the third Quarter.

Qualis had highlighted where any of their targets were not being met and there were two notable ones. One was in terms of income and expenditure where they had a small loss this was due to the lack of planning permission for the development sites and until this had been achieved, they could not move forward and turn expenditure into profit. The other issue was their cash balance which was higher than anticipated because their third commercial acquisition did not happen until the beginning of the fourth quarter. Given this their financial position was as expected.

Councillor Neville commented that given the nature of loss and delay due to lack of planning permission, wanted to know what these delays were; and would they go to planning committee in October? Councillor Philip, the relevant Portfolio Holder, said that there had been delays with the Planning Authority and he could not guarantee when it would come to Committee; we should make the end of October, too late for Qualis as that was the end of their financial year. This was not a loss; it was just a different way of counting the money which had to sit in a different pot until it got moved on.

**RESOLVED:**

That the Committee discussed and commented on this report for the Qualis Portfolio Holder to consider.

**20. QUARTER 4 BUDGET MONITORING REPORT 2020/21 (FINAL OUTTURN)**

The Chief Finance Officer introduced the final Quarter 4 (Final Outturn) report for the full 2020/21 financial year for the 2020/21 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 31st March 2021. These figures were still subject to the external audit process.

The General Fund revenue position in 2020/21 was dominated by the impact of the Covid-19 pandemic. The Housing Revenue Account position was less affected by the Covid-19 pandemic, although there were some cost pressures to note, especially on Housing Repairs, which were not linked to the pandemic.

Councillor Bassett thanked him for the report saying it showed what a drastic impact Covid had. It was a good outcome at the end of the year. How would this year go? He was told that it was an extremely volatile year, but that this question would be answered in the next report.

Councillor Janet Whitehouse asked about voids; were we still responsible for this or was it Qualis; and if it was the Council, where did we get the staff to do it? Councillor Philip answered that Qualis was our agent for repairs, historically we had an inability to hit our budget on repairs including voids, which had been rectified at the end of the year rather than changing it in the budget. As they had moved things across to Qualis we discovered that in this case we had worked from the budgeted figures not taken into account the adjustments that had been made. Yes, we were still responsible for repairs to the Housing stock and we contract Qualis to do that work for us. We were also jointly accurately tracking the budget and had set an appropriate budget on what needed to be done. This was also an on demand service which we could not plan.

Mr Small noted that last year was an exceptional year, in which the government had given us £70million, showing how much more money we had to have to deal with the problems we had encountered.

Councillor Philip added that despite these problems we ended up within 1% of our predicted budget. But there would be significant challenges for 2022/23. He also noted that the Q2 results would be going to the November meeting, we were working very hard to make sure you got a more timely view of our budget. We were gradually improving where we were on our accounting position so if we did need to take action, we could do that during the year.

Councillor H Kane said she understood that the report had no risk implications, but we should look to any future warnings that these figures may indicate. Councillor Philip replied that they did look at how things went and would continue to learn lessons from the reports and were always looking to continually improve.

#### **RESOLVED:**

That the General Fund revenue, the Housing Revenue Account revenue and the Housing Revenue Account capital position at the end of Quarter 4 was noted.

#### **21. QUARTER 1 BUDGET MONITORING REPORT 2021/22**

The Chief Finance Officer introduced the Quarter 1 budget monitoring report for 2021/22. This report set out the 2021/22 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th June 2021 ("Quarter 1").

In terms of General Fund revenue expenditure – at the Quarter 1 stage – a budget over spend of £0.126 million was forecast, with projected net expenditure of £16.937 million against an overall budget provision of £16.811 million.

The financial pressures – especially on income – due to the impact of the Covid-19 pandemic had carried over into 2021/22. The single largest item related to Leisure Facilities whereby an overspend of £532,161 was forecast by the year end; although greatly reduced income was assumed from the contract with Places Leisure in 2021/22, the third lockdown and social distancing requirements extended beyond expectations at the time the Budget was developed in late January/early February 2021.

A delay in asset disposals to Qualis as part of the Regeneration element of the initiative was also causing some financial pressure in areas such as Building Costs and Interest Receivable.

However, despite the pressure, a projected surplus on Financing and Recharges was expected to help avoid any major overspending.

As with 2020/21, the Housing Revenue Account position was less affected by the Covid-19 pandemic. Indeed, income from Council Dwellings was outperforming its budget, although there was some spending pressure on Housing Repairs, which was not linked to the pandemic.

Councillor Bassett said that this seemed more of the same and was not sure where we were; or on the amount of government support; or what projects would get finished or what projects won't get finished; and what we should start and what we should defer to keep our balance OK. On the Qualis side we have been watching very carefully the cost of materials etc. which had risen dramatically, as well as the fact we can't get hold of them. This was causing problems on the work they had to carry out. We seem to be doing reasonably OK from what he could see, but it would need close monitoring.

Mr Hartgrove said the point on inflation was a good one, the coming Medium Term Financial Plan would take on board these estimates but noted there were one or two challenging bits in there.

Councillor Philip said we should remember we had set the budget back in January and had no idea of how long the lockdowns would go on for or of the rise in the cost of materials etc. We were working hard to improve our revenue side and reduce costs and were getting a better view month on month on what was actually happening against our budget and it gave us a chance to review how we did things and keep the budget closer to what we expected it to be.

Councillor Lion noted that informing us of how our finances fitted together we needed to see service plans to inform us of what was coming up. It would be helpful to have them presented to a Select Committee.

Mr Small noted that the Cabinet were currently reviewing these and once they were happy, they would be shared with the Select Committees.

Councillor H Kane said that a lot of people had to work from home, and we had a lot of space for businesses, would it be occupied? Councillor Philip noted that we were close to signing a lease for the second floor with Regus. We had moved out of the Conder building which was to be sold to Qualis for development. We were working towards a Community Hub on the ground floor to be fully occupied. We were maximising the use of this building. We did not expect to have spare space in the top floor when we started and were now expecting to get some revenue from it. We were maximising the financial benefit of the Civic Offices for the benefit for people who wanted to work close to home but not their office in town. We were looking for regeneration throughout the district and to make it more vibrant.

#### **RESOLVED:**

1. The Committee noted the General Fund revenue position at the end of Quarter 1 (30th June 2021) for 2021/22, including actions being or proposed to improve the position, where significant variances had been identified;
2. The Committee noted the General Fund capital position at the end of Quarter 1 (30th June 2021) for 2021/22;

3. The Committee noted the Housing Revenue Account revenue position at the end of Quarter 1 (30th June 2021) for 2021/22, including actions proposed to ameliorate the position, where significant variances had been identified; and

4. The Committee noted the Housing Revenue Account capital position at the end of Quarter 1 (30th June 2021) for 2021/22.

**22. DATES OF FUTURE MEETINGS**

The Committee noted their future meeting dates.

## **STRONGER COUNCIL SELECT COMMITTEE**

### **TERMS OF REFERENCE 2019/20**

#### **Core Areas of Responsibility**

- (1) To provide scrutiny for the following corporate projects:
  - People Strategy;
  - Accommodation Strategy; and
  - Digital Enablement
- (2) To monitor the Corporate Plan Action Plan performance report and provide scrutiny of services that are not performing to standard and develop proposals for their improvement. The Stronger Council Select Committee in its review of Corporate Key Performance Indicators can task other Select Committees to review service performance and develop proposals for improvement.

#### **Scrutiny Role of the Select Committee**

- (1) To engage in policy review and development, with a focus on improvement and how this can be best achieved;
- (2) To develop a work programme each year that effectively scrutinises the areas of responsibility outlined above;
- (3) To consider any matter referred by the Overview and Scrutiny Committee, Cabinet or a Portfolio Holder and to make recommendations as appropriate;
- (4) To consider the effect of Government actions or initiatives that affect the Select Committees areas of responsibility and the impact on customers, residents, businesses and visitors to our district, and to respond to consultation activities as appropriate;
- (5) To establish working groups and task and finish panels to undertake any activity within these terms of reference;
- (6) To undertake pre-scrutiny through the review of specific proposals of the Council and its partner organisations or other local service providers to help develop policy;
- (7) To monitor and review relevant projects and associated closure and benefits reports; and
- (8) To engage with the community and encourage community engagement.

This page is intentionally left blank



**Stronger Council Select Committee  
Work Programme 2021/22  
Chairman: Councillor P Bolton**

No.	Item	Deadline	Progress and Comments	Programme of Meetings	Lead Officers
1.	Corporate Plan Action Plan (KPI's by exception) – performance scrutiny	Corporate Action Plan KPI's, Q1 Apr, May, Jun – 20 July 2021 meeting Q2 Jul, Aug, Sept - 16 Nov 2021 meeting Q3 Oct, Nov, Dec - 18 Jan 2022 meeting Q4 Jan, Feb, Mar – 14 Apr 2022 meeting  Live system reporting – by exception. No pre- distributed reports, projection of live data on the night.		<del>20 July 2021</del> <del>14 Sept. 2021</del> 16 Nov. 2021 18 January 2022 03 March 2022 14 April 2022	James West?
2.	People Strategy	20 July and 16 Nov. 2021 – 18 January 2022 & 14 April 2022 Project reporting, issues focussed.			Paula Maginnis  Jo Budden
3.	Digital Enablement	Prioritisation of Council Technology strategy.			Paula Maginnis Maryvonne Hassall
4.	Accommodation	20 July and 16 Nov. 2021 - & 18 January 2022 Project reporting, issues focussed			Maryvonne Hassall

5.	Financial Planning	Scrutiny of MTFP 21/22 onwards		Andrew Small / Christopher Hartgrove
6.	Budget scrutiny	Qtr. 1 Budget Monitoring Rtp. 2021/22 – 14 September 2021; Qtr. 2 Budget Monitoring Rtp. 2021/22 – 16 November 2021; Qtr. 3 Budget Monitoring Rtp. 2021/22 – 3 March 2022  2022/23 budget setting 18 January 2022	Budget Monitoring Reports (Revenue and Capital Outturn for 2020/21)	Andrew Small
7.	Asset Management Strategy	Council Asset Strategy (new)	Approved by the Cabinet 13/06/19 and referred to Council 30/07/19 for adoption.	Andrew Small
8.	Review of Local Elections 2021	14 September 2021		Gary Woodhall
9.	Quarterly Budget Monitoring Report			Andrew Small/ Chris Hartgrove
10.	Quarterly Qualis Monitoring	14 Sept 2021		Andrew Small
11.	Report on new election legislation on Voter ID and any financial implications for the Council. when information was available.	TBC		Gary Woodhall
12	Learning and Development	18 January 2022		Julie Dixon



## SCRUTINY



### **Report to Stronger Council Select Committee**

**Date of meeting: 16<sup>th</sup> November 2021**

**Portfolio:** Leader (Councillor C Whitbread)

**Subject:** Corporate Performance Reporting

**Officer contact for further information:**

Maryvonne Hassall (mhassall@eppingforestdc.gov.uk/ 01992 642311)

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

---

**Recommendations/Decisions Required:**

That the committee reviews the report and notes the progress of project delivery against Q2 milestones.

**Report:**

**Reason for decision:** To enable Select committee to review progress for quarterly performance measurement delivery

**Options considered and rejected:** Not applicable.

**Resource implications:** Relevant resource implications as part of the delivery of the project and will be addressed accordingly by the service Director/and or project leads.

**Legal and Governance Implications:** There are no legal or governance implications arising from the recommendations of this report. However, any implications arising from actions to achieve specific objectives or benefits will be identified by the responsible Service Director and/or project leads.

**Safer, Cleaner, Greener Implications:** There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the Safer, Cleaner and Greener initiative, or any crime and disorder issues with the district. Relevant implications arising from actions to achieve specific objectives or benefits will be identified by the responsible Service Director and/or project leads.

**Consultation Undertaken:**

Leadership Team  
Service Directors

**Background Papers:** Strategy and Corporate plan

**Impact Assessments:** Impact of status has been assessed and relevant mitigation or response is in place for projects.

**Risk Management:** Any major risks from programme will be reported via the Corporate Risk Management group which is reported at Audit and Governance Committee.




**Equality:** Relevant equality implications arising from actions to achieve specific objects or

benefits will be identified by the responsible service director and/or project leads.

## 2. Status and Progress Report: Key Corporate Projects

### Reporting Guide

Green	Project on track to achieve milestones.
Amber	Project at risk of missing milestones.
Red	Project has missed milestones / project has serious issues.
Blue	Project complete.
↔	Project status is unchanged since previous report.
↑	Project status has improved since previous report.
↓	Project status has declined since previous report.

Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Wider Determinants of Health Improvement</b>				
<p>Delivery of activities that contribute to an overall reduction in health deprivation in the pilot wards.</p> <p>A tested place-based approach that can be replicated to respond to the health inequality needs of other areas.</p>	<p><u>Q1</u> End of year report delivered to Select Committee March 2021 &amp; attached to project governance.</p>	Blue	Blue 	Milestone complete, project closed.
<b>Museum Collection Rationalisation</b>				
<p>Rationalise the collection to improve the collections available making more accessible for local community, and efficient and effective use of storage.</p>	<p><u>Q2</u></p> <ul style="list-style-type: none"> <li>All North Weald items not being kept will have left the collection.</li> <li>All items in Store 1 will have been through steering committee and portfolio holder decision.</li> </ul>	Green	Green 	<p>All items in Museum store 1 have been to steering committee and are awaiting final portfolio holder sign off before being advertised to museums. All items at the Crate store and Museum Store 2 have been through phase 1 and the research phase (phase 2) has now begun for all these items. Phase 1 has begun in store 3 at the museum. Following the 30 items from the north Weald store that have been removed a further 30 items from store 1 at the museum have initial agreement from other museums to be transferred. An additional £2000 has been secured from SHARE museums east to start work on a discreet project on the museum's photography collection - this will enable a pilot selection of photographs to be put through this project, digitised and identified.</p>
<b>Waltham Abbey Community &amp; Cultural Hub</b>				
<p>To develop an Epping Forest Community and Economic Hub through combining Epping Forest District Museum and Essex County Council library buildings in Sun Street, Waltham Abbey.</p>	<p>N/A project on hold pending further instruction.</p>	Green	Red 	<p>At the request of Cabinet this project is currently paused.</p>

<b>Community &amp; Cultural Trust</b>				
To set up a Community and Cultural Trust with charitable status that enables increased opportunity to secure external funding for work/projects in the community and cultural space that benefit communities across the District.	<u>Q2</u> Secure charitable status	Amber	Green ↑	The Trust has now been awarded charitable status by the Charities Commission. A briefing paper on the set-up of the Trust, the planned development of the Trust and how it will benefit the Community and Wellbeing Service been included in the Member Bulletin for information.
<b>Corporate Wellbeing Measure*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	N/A project not being progressed	Green	Blue ↑	Agreed not to progress this project. ECC are leading on a project to develop a wellbeing measure using the Robert Wood Johnson model. EFDC's CCW services are working closely to pilot a framework with ECC taking the lead.
<b>Corporate Approach to Resident Engagement*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	N/A project not being progressed	Green	Blue ↑	Agreed not to progress. The framework around corporate project reporting fulfils the function of ensuring a corporate approach to resident engagement by giving SLT overview of all projects being carried out across the organisation and, therefore, enabling added value to be secured where appropriate.

Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Locata</b>				
Integrating available functionality of current LOCATA system across the Homelessness, Temporary Accommodation and Rehousing Team. Upgrading system functionality and allowing customers to access all areas of housing in real time and have autonomy over their housing applications.	n/a	Blue	Blue ↔	Milestones complete, project closed.
<b>Reprovision of Hostel*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	<u>Q2</u> Project proposal document to be brought to Governance Group for discussion November 2021	Amber	Amber ↔	Project currently in concept with proposal documentation being completed for governance group discussion and agreement in November 2021.

<b>Service Area: Customer Services</b>	<b>Lead Officer: Rob Pavey</b>
--	--------------------------------






Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>First Line Migration to Contact Centre - Revenue &amp; Benefits (Fix the Basics)</b>				
Improvement of essential customer service processes and operations to improve the effectiveness of the function and service delivered to customer and providing a solid foundation	<u>Q1 2022/23</u> • Project on hold until 2022/23 PM resource to be appointed	Green	Amber ↓	Project proposal submitted to PMO. Resourcing priority within Revenues focussed on income collection post-Covid lockdown to help recover the Council's financial position. Resourcing issues also within Customer Service area has meant the project has moved to 22/23.
<b>Digital Customer Journey</b>				
Increase the digitisation of the customer journey	n/a	Green	Green ↔	Activities no longer to be treated as a project but are part of the service area business as usual. This project line is to be removed for the next report.
<b>Digital Members Journey</b>				





Improve the Members experience as a customer	• n/a	Green	Green ↔	Activities no longer to be treated as a project but are part of the service area business as usual. This project line is to be removed for the next report.
<b>Research &amp; Feasibility Recommendations</b>				
Provide insight for the future design of Council services based on data and behavioural analysis	Project on hold	Amber	Amber ↔	The council is currently reviewing the priority of this programme against other initiatives. Programme may then require further clarity on its scope.
<b>Councillor Portal*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	No timelines as yet, interim solution provided to review need for an additional portal.	Amber	Amber ↔	None.
<b>Telephony Solution*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	TBC	Amber	Amber ↔	Proposal form sent to PMO. Project Manager resource to be agreed ongoing. Funding to be agreed. Requirements finalised in preparation for tender. Project Manager resource to be agreed ongoing.



**Service Area: Revenue & Benefits** **Lead Officer: Rob Pavey**

Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Underclaimed Benefits Campaign*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	Q3 This is an on-going project which will last span the end of the financial year. To be completed by end Q1 2022/23.	Green	Green ↔	Data extracted on cases around Pension Credit shortfall. Joint activity taking with the Community Hub partners.

Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>High Performing and Flexible Workforce</b>				
Creating a culture of collaboration, innovation and creativity	Q2 All 3 stages have been designed but waiting for this to go to leadership team so they can decide the route they wish to take. Current roll out mapped for Q4 2021	Green	Green 	Inspiring Great Performance tool has been refined. Presenting to Executive Team on 4 November 21 for decision.
<b>Attracting, On Boarding and retaining the best talent</b>				
Creating a strong people brand that is inspiring and motivating harnessing technology and social media platforms	Q2 Phase 2 iRecruit designed. Private medical salary sacrifice scheme for all employees is still being looked into with decision being made due to numbers of employees who have expressed an interest.	Green	Green 	iRecruit phases 2 and 3 designed and currently in build/test phase to Delay to fully automated system going live due to Midland upgrading their systems, new full launch date revised in February 2022.
<b>Engagement and Wellbeing</b>				
Creating a working environment where employees wellbeing is an integral part, and organisational decisions take into account the impact on employees.	Q3 Mental health first aiders training in September 2021	Green	Green 	Looking at more dates for further cohorts. Over 1/10 mental health trainees achieved with quarterly mental health networking events starting to take place from March 2021.
<b>Internal Policy and Process improvement</b>				
Continuous improvement of the council's people management policies, processes and procedures and function	• n/a	Green	Green 	These activities are part of BAU service improvements and are not to be treated as a project. This reporting line is to be removed from this report.
<b>Developing Our Skills and Behaviours</b>				
Develop a core set of leadership and management competencies which underpin the skills, qualities and behaviours of EFDC future leader vision.	Q4 Leadership management development plan launch date 24th June 2021.	Green	Green 	Leadership development programme started. New Learning Management System launch ready for November 2021.

<b>Collaboration Tool*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	<u>Q2</u> Internal comms strategy incorporates collaboration tool. Internal comms strategy developed and agreed. Collaboration project brief has been designed and discovery stage started.	Green	Green 	Following the discovery phase a new project brief is required to set out on how/what/when we move this forward.
<b>Local Skills and Opportunities</b>				
To maximise work and training opportunities to lessen the negative impact of COVID19	<u>Q2</u> Development of the employability platform has moved into BAU	Green	Blue 	Project closed - Closure report submitted



**Service Area: Housing & Property** **Lead Officer: Deborah Fenton**




Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Council Housebuilding</b>				
To deliver the Council housebuilding programme	n/a (schedule shared with CHBCC)	Green	Green 	Two schemes are slightly over budget however capex has been taken from the s106 pot to mitigate this. Project reports in to CHBCC and will be removed from this report. 4/11 - The programme is progressing without any major challenges. Officers have now got a phase 5 pipeline and are looking for opportunities for phase 6
<b>Housing and Asset Management System</b>				
Replacement of a legacy system that has reached end of life. Replacing manual processes and spreadsheet and enabling agile and mobile working.	<u>Q2</u> Contracts to be signed and project implementation plan finalized	Green	Green 	Tender exercise completed. Paper has gone to cabinet and been agreed. 4/11 The contract has been awarded and we are now entering the implementation stage. Project Boards are being

Improve the management information and improve analytics to identify improvements.				set up. A project team is in place and is being led by an experienced project manager.
<b>Sheltered Housing Review</b>				
The goal is to ensure that we deliver accommodation that meets our older tenants' housing needs while making the best use of our housing stock.	• n/a	Green	Green ↔	This activity is to be combined with the Council Housebuilding project. This reporting line will be removed. 4/11 Our consultant from Meta plan is currently reviewing the report with a view of developing a strategic long-term plan
<b>Telecare offering</b>				
Cessation of the delivery of Telecare and move to ECC country-wide care provision of technology service for telecare and assistive technology delivery.	n/a	Blue	Blue ↔	Milestones complete, project closed.

**Service Area: PP & Implementation** **Lead Officer: Nigel Richardson**

Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Climate Action Plan</b>				
To be an enabler for achieving climate change ambitions of the Council of being carbon neutral by 2030 and to ensure impacts of growth in the District are mitigated.	<u>Q2</u> <ul style="list-style-type: none"> <li>Pre-Consultation engagement. From June to mid-August with the purpose of refine the consultation materials and events, understanding key issues, widening our network of contacts in the community to allow for wider engagement with the consultation and climate change in general.</li> </ul>	Amber	Amber ↔	The main consultation period has been moved from June to September to allow for more face to face engagement activities following the anticipated lifting of Covid restrictions. The period will also avoid school holidays and other Local Plan and ECC consultations on travel. Return to a green will depend on when the Climate Change Action Plan is approved by Cabinet. This is expected to be in February


<b>Green Infrastructure Strategy</b>				
Establish strategy and policies relating to Green and Blue infrastructure, the protection of ecological assets and high-quality design.	<p><u>Q2</u></p> <ul style="list-style-type: none"> <li>Woodland Trust to be consulted to discuss the implementation of key projects and wider initiatives set out in the GIS. Draft paper has been developed for the implementation of the Roding Valley Recreation Ground and Theydon Bois to Loughton/Debden Public Rights of Way Network. Officers are in the process of preparing a project proposal for the creation of Suitable Alternative Natural Greenspace (SANG) at North Weald Bassett. It is anticipated that this will be drafted during July 2021. Currently bidding for a cohort from Public Practice to lead on the GIS. Await to hear if successful (July 2021) for a Sept/Oct start.</li> </ul>	Amber	Amber 	Woodland Trust meeting with relevant officers on 1 July 2021. The draft paper is currently being reviewed by officers to ensure that a co-ordinated approach is being taken across the Council prior to presentation at a briefing of the Council's Cabinet (date to be confirmed) . A site visit is also being organised for officers from Natural England to provide a context to the proposals recognising that they will be engaged in the detailed development of the proposals. This is an on-going strategy of numerous projects predominantly funded by developer contributions on the back of planning permissions. Likelihood therefore that this remains on Amber.
<b>Local Plan</b>				
Deliver Local Plan	<p><u>Q2</u></p> <p>Main Modifications are changes to the published Local Plan Submission Version (2017) which are required to remedy issues of soundness. Consultation process begins on 8 July 2021 for 10 weeks. Following the consultation, the Council will forward all representations to the Planning Inspector for her consideration. The Council is also required to consider the responses to each MM and provide a summary Council response per MM.</p>	Amber	Amber 	Cabinet briefing as to the process and content of the MM's consultation took place on 18-06-21 followed by All Member briefing on 28-06-21. Local Council Liaison Cttee briefing on 8 July 2021. MM Consultation began on 16 <sup>th</sup> July to 23 <sup>rd</sup> September with over 900 representations submitted. Representations submitted to the Inspector on 29 <sup>th</sup> October. Return to Green: dependant on the Planning Inspectors' consideration of the representations and preparation of Examination Report. Earliest anticipated December 2021.
<b>Travel Local</b>				

<p>To provide local travel options for more distant villages and towns off the underground route and thereby support local training, employment and shopping, To deliver an attractive and cost-effective replacement for EFDC/ECC-subsidised route 87 bus</p> <p>Provide key workers with alternatives mode of transport</p>	TBC	Green	Green 	Q1 update was not available at the time of this report.
<b>Local Enforcement Plan*</b>				
<p>*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.</p>	<p><u>Q2</u> Adoption of the Local Enforcement Plan, pending agreed amendments, by the Portfolio Holder for Planning and Sustainability July 2021.</p>	Green	Amber 	Consultation completed and Draft completed, awaiting legal advice on prosecution principles/policy before requesting Portfolio Holder sign-off.
<b>Interim Air Pollution Mitigation Strategy*</b>				
<p>*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.</p>	<ul style="list-style-type: none"> <li>Interim Air Pollution Mitigation Strategy adopted by Full Council on 8 February 2021 with requirement for a cross party Portfolio Holder Advisory Group to be set up to help deliver the Interim APMS and work with officers to identify where further initiatives not identified in the APMS could be brought forward to advance Air Quality Improvements with the objective of removing the need to introduce a Clean Air Zone (CAZ). Actions from PAG Meeting in June:</li> <li>Liaison with Essex CC/TFI to potentially introduce Bus routes in the forest, and dynamic signage re air quality and idling vehicles at forest boundaries.</li> <li>Stephen Lloyd Jones to be invited to group to provide support on the</li> </ul>	Amber	Amber 	An update on these actions to be undertaken and fed back to the next PAG meeting to be held in September 2021.



	<p>development and implementation of Sustainable Transport initiatives.</p> <ul style="list-style-type: none"><li>• EFDC commitment to give free car parking for electric vehicles in Council-owned car parks – timeline and costs to be provided- City of London (CoL) to consider adoption for Forest car parks , recognising that this would require committee approval and potentially a change to Forest Bylaws</li><li>• Identify opportunities to undertake some interim monitoring of the Vehicle Fleet Mix before 2024 to provide an understanding of progress towards the targets for 2024. In addition, clarification to be sought from AECOM as to whether smaller petrol vehicles emit less ammonia from catalytic converters</li><li>• Officers to respond to the request for EFDC and the CoL to work together to reduce impact on the forests: what could be done, what has been the impact of Covid on vehicle movements; interrelationship with climate change; lower speed limits in forest; time over distance Cameras; consideration of displacement of traffic on wider air quality; links with Forest Transport Strategy.</li><li>• All to suggest ideas over and above those identified in the APMS to reduce air pollution.</li></ul> <p>Provide an update on progress in establishing the Officer Technical Group for developing the CAZ and on the</p>		
--	---	--	--




	Council's proposed awareness raising as set out in the APMS. To note: EFDC officers are meeting to bring together a joint approach to raising awareness with local residents and businesses as to what they can do to meet the Air Pollution and Climate Change challenges. Work is also commencing on establishing the Officer Technical Group for the CAZ.			
--	--	--	--	--

**Service Area: Digital Planning Improvements** **Lead Officer: Nigel Richardson**

Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Back Office System (Digital Planning Process Improvement &amp; Digital Solution)</b>				
Deliver a digital solution and improve processes within planning department. Providing the Development Management Service with a single digital workspace to complete all tasks relating (enforcement, trees, conservation, applications, appeals, pre-application advice) and for customers to interact with us and for up to date information to be available to our customer services team and other parties regarding the DM function.	<u>Q3</u> <ul style="list-style-type: none"> <li>Go Live</li> </ul>	Amber	Amber 	Some difficulties with data migration being encountered - supplier has provided quote for data migration options and assistance from implementation expert and a Local Authority partner have been secured to complete data migration and setup.  Funding for completion of the project has been secured.  Likely Go Live date will be delayed from Q3 to Q1 2022/23 due to data migration and implementation issues.



Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Digital Support Platform for Business (Digital Enablement and Gateway)</b>				
<p>An externally provided platform for 'Place' that will re-imagine Epping Forest District as a great location to live, work and do business.</p> <p>Platform for.</p> <ol style="list-style-type: none"> <li>1. On-line information</li> <li>2. On-line business building</li> <li>3. On-line trading programme</li> <li>4. On- line community building</li> <li>5. On-line transaction and settlement</li> <li>6. On-line bookings</li> <li>7. On-line info. re. employment and skills</li> </ol>	<p><u>Q1</u></p> <ul style="list-style-type: none"> <li>• Click it local has been launched (March 2021). Loyal Free launched October 2021. Purchased as of (June 2021). New monthly business e-newsletter launched in March 2021 (2000+ business recipients).</li> </ul>	Amber	Green 	<p>Numbers of shops participating in Click it local is increasing and significant marketing work has been undertaken by the council and Click It local to increase awareness.</p> <p>Loyal Free has now been deployed and recruitment of shops and shoppers is ongoing.</p> <p>E-newsletter is being produced monthly direct to inboxes promoting available business grants and new products and information from the council.</p> <p>Digital data project on footfall has been commissioned and will begin operation in November.</p> <p>A pilot project called 'how busy is Epping' is approaching launch giving shoppers live information on busy parts of the town to increase confidence to return.</p>
<b>New Business Support Packages (Business Zone)</b>				
<p>To create a business zone that will provide;</p> <ul style="list-style-type: none"> <li>- A substantial range of employment opportunities for people of all ages</li> <li>- facilities for business start-ups and sole entrepreneurs</li> <li>- Opportunities for companies involved in distribution and light industry</li> </ul>	TBC	Amber	Green 	<p>Officers are leading discussions with neighbouring councils on new programmes to support businesses in the hospitality and visitor sector. Officers are also working with new city college to ensure effective skills provision to employees and businesses. And enhancing marketing connections between Visit Epping Forest website and businesses on high streets.</p>
<b>Town Centre Regeneration</b>				
To create vibrant high streets and town centres of the future across Epping Forest District	<u>Q1</u>	Green	Green	Government funding has been accessed to recruit a temporary deputy town centre manager post, to


<p>Feasibility study which sets out opportunities and remedies for barriers in relation to High Streets in Waltham Abbey, Ongar, Loughton, Buckhurst Hill, and Epping</p>	<p>All 6 town centre regeneration reports have now been approved by cabinet.  <u>Q2</u>  WBF submitted and approved by Central Government.  <u>Q3</u>  Approved projects moved into delivery.  <u>Q4</u>  Claims for work undertaken submitted to Central Government.  All Government funded work to be complete by end of first quarter 2022.</p>			<p>create capacity to deliver the recommendations of the regeneration's reports.</p> <p>A wide range of work on high streets physical improvements has been undertaken in most town centres.</p> <p>Bids were submitted to central Government to unlock the Welcome Back funding, these were agreed with Government departments and are being deployed over the next five months.</p>
<b>District Prospectus for Inward Investment*</b>				
<p>*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.</p>	<p><u>Q1</u>  Consultants (Puttock Brown) have been appointed to design a new inward investment site called Invest Epping Forest.  <u>Q2</u>  Website framework agreed, in conjunction with UKIC prospectus (sub-regional).  <u>Q3</u>  Population of website with information for prospective investors undertaken.  <u>Q4</u>  Site launch by end of November 2021.</p>	Green	Green 	<p>Sites structure agreed, content being produced. Links with other regional investment websites being made. External businesses being contacted for participation/testimonials. Target launch date was set back to allow more detailed information and content.</p>
<b>District Financial Aid to Business*</b>				
<p>*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.</p>	<p><u>Q2</u>  Finance and Economic Development are working together to deliver direct grants to local businesses and administer other grant streams</p>	Amber	Green 	<p>The bulk of Central Government schemes providing direct financial support to local businesses in the form of grants has now ceased.</p> <p>A local Economic Resilience Fund to top slice ARG funding, was agreed by cabinet at the end of March 2021, and this is being deployed in tandem with Welcome Back Fund.</p>

				Essex Business Adaptions Grant has been extended until the end of December and continues to be promoted and administered by EFDC. The revised scheme has increased the top level of grant to five hundred thousand in response to feedback from EFDC and other local authorities. Total allocations to local businesses are now in excess of £400K.
<b>Digital Placemaking (Digital Innovation Zone / Infrastructure / Common Asset Register / Business Database / LFFN)*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	Digital innovation zone has increased subscribing membership and launched special interest groups on town centres and digital exclusion. The LFFN project is nearing completion. Work on superfast project and rural challenge project continues.	Green	Green ↔	The LFFN project has been completed with over 70 GP surgeries across West Essex and Eastern Hertfordshire, supplied with ultra-fast connectivity. This involved an additional 170KM of fibre being delivered.  Government figures for full fibre delivery to properties show Epping Forest District at 84% at the highest level in Essex, and superfast delivery around 99%.
<b>Commercial Letting 2<sup>nd</sup> Flr &amp; 323*</b>				
*New project to this report. Awaiting final confirmation of inclusion of agreed project reporting.	TBC	Green	Green ↔	The letting of the second floor of the Civic Offices is being finalised.

**Service Area: Contract & Technical**

Lead Officer: James Warwick

Goal	Aspirational Milestones	Previous RAG	Current RAG	Progress Update
<b>Waste Contract</b>				
To review the options for provision of waste, recycling collections and street cleansing services beyond the current contract term. It may be feasible to retender, enhance services or achieve efficiencies	A Waste Management Contract Strategic Options report will be presented to Cabinet on 13th September. This will enable Cabinet to	Green	Green ↔	Ricardo have completed work on the contract extension options and their findings are presented in a Stronger Place – Select Committee which will be discussed on 4 <sup>th</sup> November before going to Cabinet in December. The report

	determine the next steps for the Waste Management Contract.			recommends an agreement in principle to the extend the waste contract.
<b>Leisure Contract</b>				
To maintain service delivery and minimise financial losses to the Council due to COVID19	EFDC are up to date with COVID related financial support to Places Leisure. This is reconciled on month by month basis.	Green	Green 	The Leisure facilities are performing better than estimated and EFDC is now receiving a monthly management fee, this is still lower than the management fee received pre-pandemic, but it is estimated we will reach pre-pandemic levels from April 22. Reconciliation continues on a monthly basis.

### 3. Quarterly KPI Reporting

Stronger Communities KPIs				
Key Performance Indicator	21/22	Actual	Target	Comments
<b>Customer Services:</b> Overall Customer Satisfaction	Q1	66%	80%	For comparison the last quarter, FY20/21 Q4, actual was 74% - this quarter has seen an increase of overall customer satisfaction of 6%.
	Q2	58%	80%	Wait times have been impacted by severe resourcing issues in the contact centre due to long term sickness, bereavement and leave all at the same time.
	Q3			
	Q4			
<b>Customer Services:</b> First Point Resolution	Q1	49.9%	45%	For comparison the last quarter, FY20/21 Q4, actual was 44% - this quarter has seen an increase of overall customer satisfaction of 5.9%
	Q2	62%	45%	For comparison the last quarter, FY20/21 Q4, actual was 44% - this quarter has seen an increase of overall customer satisfaction of 5.9%
	Q3			.
	Q4			
<b>Customer Services:</b> Complaints resolved within SLA	Q1	89%	85%	<p>&gt; Reduced volume of complaints compared to Q4. 97 last Quarter, 65 this quarter with 89% handled within SLA</p> <p>&gt; 42% complaints had the outcome of "Not Upheld" and 12% were upheld. 44% partially upheld.</p> <p>&gt; 5 out of the 65 complaints for Q1 have escalated to a Stage 2 formal complaint in all cases the initial outcome remained.</p> <p>SERVICE AREAS WITH SIGNIFICANT VOLUMES</p> <p>&gt; Waste - 13 formal complaints for this Q1 with the main themes being around the uncleanliness of the streets as the perception is that residential streets were not being cleaned. Expectations were managed by the Waste Team Manager in each complaint.</p> <p>&gt; Revs &amp; Bens - 11 complaints for Revs &amp; Bens with the majority pertaining to Business Grants and Council Tax arrears.</p>
	Q2	88%	85%	84 complaints for Q2 which is an increase on Q1. 9% escalated to stage 2 with no change on outcome. All areas except waste and Qualis have seen an increase. Rev & Bens complaints related to grants & council tax arrears. Community & Resilience relating to noise. Housing Assets & Maintenance, 10 complaints no trends
	Q3			

	Q4			
<b>Community Health and Wellbeing:</b> No of homelessness approaches	Q1	258	n/a	This is an information only PI that enables the service to track trends and map trajectory ensuring statutory service is adequately resourced to meet demand.  It does not provide a measure of the quality or effectiveness of the homelessness service which would be far better served by reporting on outcomes
	Q2	229	n/a	YTD 487 homelessness approaches. An average of 81 pcm.
	Q3		n/a	
	Q4		n/a	
<b>Community Health and Wellbeing:</b> No of households in Temporary Accommodation	Q1	107	n/a	This is an information only PI that enables the service to track trends and map trajectory ensuring statutory service is adequately resourced to meet demand.  The figure is a snapshot taken on the last day of the final month in a quarter.  It does not provide a measure of the quality or effectiveness of the homelessness service which would be far better served by reporting on outcomes
	Q2	101	n/a	
	Q3			
	Q4			

<b>Community Health and Wellbeing:</b> Engagement in community, physical or cultural activity	Q1	4569	1750	These targets were set during the pandemic. With the easing of restrictions, engagement has been even greater than expected hence the actual figure is much higher than the target. Given this, the annual target of 7000 (1750 / quarter) will be adjusted to annual target of 14,000 (3,500 / quarter) and this will be reflected in reporting for the remaining quarters.
	Q2	5407	3500	This annual target has been increased to 14000
	Q3			
	Q4			
<b>Community Health and Wellbeing:</b> No of families in B&B accommodation for 6 weeks+	Q1	0	0	The Council has a legal requirement to ensure no family is kept in B&B accommodation for more than 6 weeks. No family within Epping has been placed in B&B accommodation for longer than 6 weeks as required.

	Q2	0	0	
	Q3			
	Q4			

<b>Contracts:</b>	<b>21/22</b>	<b>Actual</b>	<b>Target</b>	<b>Comments</b>
% change of leisure centre attendees from previous years quarter: Gym visits	Q1	Epping: 55% decrease Loughton: 25% decrease Ongar: 60% decrease Waltham Abbey: 58% decrease	n/a	<p>The percentage change has been calculated comparing 2019 figures against 2021 figures. 2020 figures were not used as gyms were closed for all of Q1 in 2020 in line with local and government restrictions.</p> <p>Due to the COVID-19 pandemic, attendance has seen a significant decrease as gyms were closed during Q1. As restrictions have now lifted, it is expected that there will be an improvement in actuals for the remaining quarters</p>
	Q2	Epping: 73% decrease Loughton: 18% decrease Ongar: 63% decrease Waltham Abbey: 64% decrease	n/a	<p>The percentage change has been calculated comparing 2019 figures against 2021 figures. 2020 figures were not used as gyms were closed partially during Q2 in 2020 in line with local and government restrictions.</p> <p>August figures for gym visits were above previous years. However, despite restrictions being lifted, attendance for gym visits is still considerably low and will be kept under review. Group Work Out classes returned on 17<sup>th</sup> May which may be a factor for greater gym use.</p> <p>at the next Leisure Management Partnership Board if we can change the KPI to actual number of users for membership and swimming to match the KPI's Places Leisure use. Happy to keep current KPI until new financial year.</p>
	Q3			
	Q4			

<b>Contracts:</b> % change of leisure centre attendees from previous years quarter: Casual swimming	Q1	Loughton: 10% increase Ongar: 103% increase Waltham Abbey: 7% decrease	n/a	<p>The percentage change was calculated comparing 2019 figures against 2021 figures. 2020 figures were not used due to gyms closed for all of Q1 in 2020.</p> <p>The Ongar refurbishment project completed in Jan 2021 and has attracted higher attendance.</p>
	Q2	Loughton: 22% decrease Ongar: 108% increase Waltham Abbey: 104% increase		<p>The percentage change has been calculated comparing 2019 figures against 2021 figures. 2020 figures were not used as gyms were closed partially during Q2 in 2020 in line with local and government restrictions.</p> <p>Casual swimming continues to grow and although Loughton is currently at a 22% decrease, the number of casual swimming has increased since Q1 in 2021. The Ongar pool refurbishment works has attracted higher attendance. Waltham Abbey is currently benefitting from the temporary closure of The Laura Trott Leisure Centre in neighbouring Broxbourne.</p>
	Q3			
	Q4			
<b>Contracts:</b> Club Live membership	Q1	Epping: 33% decrease Loughton: 24% decrease Ongar: 103% increase Waltham Abbey: 29% decrease	n/a	<p>The percentage change has been calculated comparing 2019 figures against 2021 figures. 2020 figures were not used as gyms were closed for all of Q1 in 2020 in line with local and government restrictions.</p> <p>The Ongar refurbishment project completed in Jan 2021 and attracted higher attendance.</p>
	Q2	Epping: 29% decrease Loughton: 18% decrease Ongar: 19% decrease Waltham Abbey: 21% decrease	n/a	<p>The percentage change has been calculated comparing 2019 figures against 2021 figures. 2020 figures were not used as gyms were closed partially during Q2 in 2020 in line with local and government restrictions.</p> <p>Although figures are not up to pre-Covid levels, Club Live Memberships continue to grow compared to Q1 figures. Please note the Club Live numbers for Q2 are indicative as the actual September 2021 numbers are not yet out.</p>
	Q3			



		Q4		
<b>Stronger Places KPIs</b>				
<b>Contracts Waste:</b>	<b>21/22</b>	<b>Actual</b>	<b>Target</b>	<b>Comments</b>
Recycling rate	Q1	59.630%	60%	A target of 60% has not quite been reached during Q1. However, a restructure of the Waste Team has been completed to increase capacity within the team and focus on developing initiatives, education and awareness on reuse and recycling.
	Q2	60.8%	60%	Estimate needs validation by WDA
	Q3			
	Q4			
<b>Contracts Waste:</b>	Q1	0.107kg/household	0.100kg/household	Household waste volumes are still high following the COVID-19 pandemic and the resulting increase in home workers moving waste from commercial properties to residential properties. As above, the waste team are looking into initiatives for education and awareness on reuse and recycling.
Reduction in household waste	Q2	0.105kg	0.100kg/household	As above, still high levels of waste being presented as people continue to work from home. Also, this figure does comprise of refuse, some street cleansing and fly tips
	Q3		0.100kg/household	
	Q4		0.100kg/household	
<b>Housing Management</b>	Q1	1.37%	<1.55%	This KPI is a measure of the outstanding rent due (arrears) of the total rent sum from Council residential properties.
Rent Arrears	Q2			
	Q3			
	Q4			
<b>Planning and Development:</b>	Q1	0%	80%	There were only 2 decisions which were refused planning permission, but the refusal was given outside of agreed timeline due to the complexity of the applications, which required planning committee decision.
Percentage of applications determined within agreed timelines: Major	Q2	1.43%	90%	The backlog of planning permissions because of the air quality impact on Epping Forest is being steadily released but applicants are unwilling to sign extension of time to a new end date on major

				application types. Performance therefore is suffering with 1 out of 6 decided in time.
	Q3			
	Q4			
<b>Planning and Development:</b> Percentage of applications determined within agreed timelines: Minor	Q1	83%	90%	67 out of 80 in time. The other 13 applications were decided outside of the agreed timeline due to the complexity of the applications which delayed decisions. A process and efficiency review are underway to consider what improvements can be made to prevent further delays in applications.
	Q2	86.19%	90%	156 out of 181 applications were made in time, which is an improvement over Q1. The target is just being missed but moving in the right direction.
	Q3			
	Q4			
<b>Planning and Development:</b> Percentage of applications determined within agreed timelines: Other	Q1	92%	90%	This category has the highest volume of applications received (householder extensions) and 348 out of 378 applications were decided in time in this category in Q1, which is normal. They are less contentious, and the majority are determined daily under officer delegated powers. Therefore the 8-week target is generally achieved. Those required to be determined at planning committees, which meet on a 4-week cycle, are more likely to be out of time.
	Q2	91.19%	90%	600 out of 658 applications were decided in time. They are less contentious, and the majority determined daily under officer delegated powers, so the 8-week target is generally achieved.
	Q3			
	Q4			
<b>Planning and Development:</b> Housing Delivery Test progress	Q1	n/a	n/a	This is KPI is measured annually, quarterly figures are not available. KPI data will be provided following Q4.
	Q2			
	Q3			
	Q4			

<b>Stronger Council KPIs</b>				
<b>Key Performance Indicator</b>	<b>21/22</b>	<b>Actual</b>	<b>Target</b>	<b>Comments</b>
<b>People:</b> Diversity & Inclusion – % of workforce by Ethnicity	Q1	Black & minority ethnic: 5.06% White - all: 71.16% Unknown (no response to survey): 4.38% Withheld (no declaration of ethnicity on survey): 19.06%	No targets are set but People Team have developed workforce KPI data insights and dashboards.	For comparison, 2019/20 figures were: Black & minority ethnic: 4.67% White - all: 73.22% Unknown (no response to survey): 5.64% Withheld (no declaration of ethnicity on survey): 12.09%  The key takeaway from the current figures are that staff are increasingly withholding ethnicity information. 18.74% this year, compared with 12.09% last year, did not declare ethnicity when given the option to do so.
	Q2	Black & minority ethnic: 5.11% White - all: 69.87% Unknown (no response to survey): 4.26% Withheld (no declaration of ethnicity on survey): 19.74%		
	Q3			
	Q4			
<b>People:</b> Diversity & Inclusion – % of workforce with Disability	Q1	6.29%	n/a	This is voluntary information from staff and the actual figure may be higher than what is reported. We are working towards Disability Confident Level 2 and working with external charities, e.g. Shaw Trust, Change 100, and the Living with Disability publication to increase our engagement and hiring of people with disabilities.
	Q2	5.96%	n/a	
	Q3			
	Q4			
<b>People:</b> Staff Turnover %	Q1	4.12%	11%	Target is based on public sector median turnover rate which is 11% per annum. For comparison, the average turnover per quarter in FY2019/20 was 4.4% so our figure of 3.28% is in line with expectations.

	Q2	4.94%	11%	
	Q3			
	Q4			
<b>People:</b> Sickness Absence – average number of days per employee	Q1	2.29days	2.15 days	Target is based on the mean average number of days lost per employee per quarter in 2020. We expect lower numbers than the 2.15 average throughout spring / summer and higher numbers than the average in autumn / winter.
	Q2	3.95 days	2.15 days	
	Q3			
	Q4			



### **Report to Stronger Council Select Committee**

**Date of meeting: 16th November 2021**

**Subject: Updated Medium-Term Financial Plan 2022/23 to 2026/27**

**Portfolio: Finance, Qualis Client & Economic Development - Cllr. John Philip**

**Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)**

**Democratic Services Officer: Adrian Hendry 01992 564246**

---

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

**To consider the Updated Medium-Term Financial Plan 2022/23 to 2026/27 as presented to Cabinet on 11th October 2021 (*Appendix A*), and to make such comments and/or recommendations as the Committee feels appropriate so that Cabinet can consider these on 6th December 2021, when they meet to consider draft budget options for 2022/23.**

#### **Executive Summary:**

Cabinet considered the Updated Medium-Term Financial Plan for 2022/23 to 2026/27 on 11th October 2021. At that meeting the contents of the report were considered and discussed, including the implications for both the General Fund and Housing Revenue Account.

Cabinet also agreed that the report should go forward for scrutiny by the Stronger Council Select Committee in accordance with the Financial Planning Framework (2022/23 to 2026/27) adopted on 13th September 2021.

This is the first iteration of the MTFP within the 2022/23 budget cycle. It is a forward-looking document which provides a tentative look at the Council's financial picture over the next five years (2022/23 through to 2025/26) and sets the scene by providing a framework for developing both the General Fund and Housing Revenue Account (HRA) budgets for 2022/23.

The General Fund forecast within the MTFP reveals a projected deficit of £1.504 million for 2022/23. This primarily reflects the impact of losing Government Support for Covid-19 (£1.263 million) and the contribution from the General Reserve (£1.350 million) compared to 2021/22. Estimated net expenditure in 2022/23 is £16.022 million, compared to available funding of £14.518 million.

Looking further ahead, a further budget gap is expected to open-up on the General Fund again from 2023/24, with a peak annual budget pressure of £1.139 million occurring in 2025/26.

The HRA forecast within the MTFP reveals a projected deficit of £2.755 million for 2022/23 (broadly offset by an initial surplus of £2.651 million in 2021/22). The initial volatility between 2021/22 and 2022/23 is primarily due to a change in financing assumptions as part of the initial rollout of the new HRA Business Plan model compared to current assumptions.

A very stable position is projected for 2023/24 onwards, with a surplus of £1.918 million anticipated in 2016/17.

The next stage in the process (currently in progress) will see the assumptions and projections further refined and draft budget options for 2022/23 (such as additional income generation or capturing organisational efficiencies) for closing the budget deficit, for consideration by Cabinet on 6th December 2021, alongside feedback from this Committee.

**Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2022/23 to 2026/27 as it prepares draft budget options for 2022/23.

The Council faces a significant challenge in achieving a balanced budget for 2022/23 due to a projected General Fund budget gap of £1.5 million.

The comments made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 6th December 2021.

**Legal and Governance Implications:**

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. This report highlights a potential budget deficit on the General Fund that needs to be eliminated prior to setting the 2022/23 budget in February 2022.

**Safer, Cleaner, Greener Implications:**

There are no SGS implications.

**Consultation Undertaken:**

The development of the 2022/23 budget is informed by the democratic scrutiny processes.

**Background Papers:**

None.

**Risk Management**

The consideration of risk forms an integral part of the development of budget options. In particular, the MTFP is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

## Report to the Cabinet

**Report reference:** C-020-2021/22  
**Date of meeting:** 11th October  
 2021



**Portfolio:** Finance & Economic Development  
**Subject:** Updated Medium-Term Financial Plan 2022/23 to 2026/27  
**Responsible Officer:** Andrew Small (01992 564278)  
**Democratic Services:** Adrian Hendry (01992 564246)

---

### Recommendations/Decisions Required:

#### 1) To note the contents of the report, including:

- The General Fund element of the updated Medium-Term Financial Plan (2022/23 to 2026/27) (*Annex 1*); and
- The Housing Revenue Account element of the updated Medium-Term Financial Plan (2022/23 to 2026/27) (*Annex 2*), including the anticipated impact on the 2021/22 budget outturn; and

#### 2) Discuss and agree any actions required, including the assumptions contained in the MTFP and the potential options for addressing the underlying budget deficit in order to set a balanced budget for 2022/23.

### Executive Summary:

The Cabinet approved an updated Financial Planning Framework (2022/23 to 2026/27) at its meeting on 13th September 2021 and committed to receiving and considering and updated Medium-Term Financial Plan (MTFP) for 2022/23 to 2026/27.

The preparation of an MTFP provides the cornerstone on which the Council can build and deliver services in accordance with its aims and objectives. It also provides an early warning sign of potential budget pressures that lie ahead.

This is the first iteration of the MTFP within the 2022/23 budget cycle. It is a forward-looking document which provides a tentative look at the Council's financial picture over the next five years (2022/23 through to 2025/26) and sets the scene by providing a framework for developing both the General Fund and Housing Revenue Account (HRA) budgets for 2022/23.

The General Fund element of the MTFP can be found at **Annex 1**. It reveals a projected deficit of £1.504 million for 2022/23. This primarily reflects the impact of losing Government Support for Covid-19 (£1.263 million) and the contribution from the General Reserve (£1.350) compared to 2021/22. Estimated net expenditure in 2022/23 is £16.022 million, compared to available funding of £14.518 million.

Looking further ahead, a further budget gap is expected to open-up again from 2023/24, with a peak annual budget pressure of £1.139 million occurring in 2025/26, following the letting of the new Waste Management contract. The projections are summarised in the table below.

<b>General Fund MTFP (@ October 2021)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2022/23	1,504	Assumed no Government support for Covid-19 (£1.263 million in 2021/22) + no Use of Reserves (£1.350 million in 2021/22)
2023/24	336	
2024/25	579	New Waste Management contract assumed with effect from 1st December 2024
2025/26	1,139	
2026/27	74	

The HRA element of the MTFP can be found at **Annex 2**. It reveals a projected deficit of £2.755 million for 2022/23 (broadly offset by an initial surplus of £2.651 million in 2021/22). The initial volatility between 2021/22 and 2022/23 is primarily due to a change in financing assumptions as part of the initial rollout of the new HRA Business Plan model compared to current assumptions.

A very stable position is projected for 2023/24 onwards, with a surplus of £1.918 million anticipated in 2016/17. The table below provides a summary.

<b>Housing Revenue Account MTFP (@ October 2021)</b>		
<b>Financial Year</b>	<b>(Surplus)/Deficit</b>	<b>Comment</b>
	<b>£000's</b>	
2022/23	2,755	Deficit substantially offset by assumed surplus of £2.651 million in 2021/22
2023/24	2	
2024/25	0	
2025/26	2	53 Week Rent Year Assumed £900,000 saving from Qualis re Housing Repairs
2026/27	(1,918)	

The next stage in the process will see the assumptions and projections in both the General Fund and Housing Revenue Account further refined in accordance with the direction provided by Cabinet and emerging intelligence. Officers will begin to develop draft budget options for 2022/23, including options (such as additional income generation or capturing organisational efficiencies) for closing the budget deficit, for consideration by Cabinet in December 2021.

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

To provide an updated financial position for the Council based on latest available information, allowing Cabinet to consider the implications and potential options available, and provide strategic direction to senior officers in preparing a (balanced) draft budget for 2022/23.

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

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. This report highlights a potential budget deficit on the General Fund that needs to be eliminated prior to setting the 2022/23 budget in February 2022.



**Safer, Cleaner and Greener Implications:**

There are no direct SCG implications contained within the report, although the implications will be considered in the detailed development of budget proposals.

**Consultation Undertaken:**

None. The proposals in the report require further development. Consultation at a later stage is an in-built feature of the proposed Financial Planning approach and timetable.

**Background Papers:**

None.

**Risk Management:**

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the MTFP is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

## Updated Medium-Term Financial Plan 2022/23 to 2026/27

### GENERAL FUND

*October 2021*

#### 1. Background

1.1 The preparation of a Medium-Term Financial Plan (MTFP) provides the cornerstone on which the Council can build and deliver services in accordance with the aims and objectives outlined in the Corporate Plan 2018-2023, which are grouped under the three corporate ambitions:

- Stronger Communities
- Stronger Place; and
- Stronger Council.

1.2 Through 'horizon scanning' and anticipating necessary change at the earliest opportunity, resilience and the ability to react to and withstand 'major shocks' is achieved.

#### 2. Introduction

2.1 This is the first iteration of the MTFP in the 2022/23 budget cycle. It is a forward-looking document which provides a tentative look at the Council's General Fund financial picture over the next five years (2022/23 to 2026/27) and re-evaluates the position in the light of developments since the last MTFP (2021/22 to 2025/26) was adopted by the Council in February 2021.

2.2 This part of the MTFP focuses on the Council's General Fund. An emerging HRA Business Plan is being developed and this underpins an updated MTFP for the HRA, which is presented in Appendix B.

2.3 The February 2021 MTFP revealed a projected deficit of £1.094 million in 2022/23; this assumed the use of £0.5 million from the Council's general contingency reserves. The full projections can be summarised as follows:

Financial Year	(Surplus)/Deficit	Comment
	£'s	
2021/22	0	Assumed £1.263 million Government support for Covid-19 + £1.350 million Use of Reserves
2022/23	1,093,715	Assumed £0.5 million Use of Reserves
2023/24	661,267	
2024/25	319,525	
2025/26	351,700	

2.4 The MTFP is deliberately concise, focussing on the most significant financial issues faced by Epping Forest District Council over the medium-term. There are currently four major factors to note:

- **Covid-19 Pandemic** – the measures taken by the UK and most major countries worldwide in response to the global pandemic declared by the World Health Organisation (WHO) in March 2020 had an immediate and profound impact on economies across the world. At a national and local level, the impact on UK local government and Epping Forest District Council had a massive impact on both operations and finances, with major losses experienced on a number of income streams ranging from core funding sources such as Council Tax and Business Rates through to fees and charges from Leisure Centres, Car Parking, Building Control, Planning and Licensing. The 2020/21 financial year bore the brunt of the financial pressure, with the position eventually being alleviated – to a large extent – by emergency financial support from the Government.

Although the immediate financial pressure for 2020/21 – thanks to Government support – was eventually alleviated, a range of the problem areas have persisted into 2021/22, including reduced usage of Leisure Centres and Car Parks. Once again, the Government has been supportive, with estimated financial assistance in the region of £1.2 million being made available to this Council in recognition of the extended (third) lockdown and subsequent social distancing measures.

However, following the lifting of most restrictions on 19th July 2021, the Government is now winding down its support for the pandemic to local government. This presents a significant challenge to the Council. Whilst there is some cause for optimism, with footfall in Leisure Centres increasing at a slightly faster rate than envisaged when the 2021/22 budget was set, there are some income streams that might never recover to pre-pandemic levels. For example, a seemingly permanent widespread shift towards hybrid or home working looks likely to result in reduced demand for Council Car Parks from commuters.

There is also a long-term uncertainty regarding Business Rates income. For example, the Council continues to enjoy protection in the form of “Section 31” grants from Government to compensate for temporary reliefs. It remains to be seen what the impact on Business Rates collection will be when ‘normal’ (less generous) reliefs return.

- **Local Government Finance Settlement** – for the past six years, local authority funding has been subject to a national settlement originally announced in 2016; 2019/20 was due to be the final year of a four-year settlement. However – due to Brexit – the key elements of the four-year settlement were rolled forward into 2020/21. This was further rolled forward into 2021/22 due to the pandemic.

The Chancellor has recently announced that he will provide details of a three-year spending review on 27th October 2021. His will cover the financial years 2022/23, 2023/24 and 2024/25. Huge uncertainty remains as to what the outcome could be for local government and what form (and when) a range of other reforms (e.g. to Business Rates) will take. The uncertainty also extends to established funding streams such as the New Homes Bonus, which the Council has benefited from for several years.

Given the usual pattern whereby the Local Government Finance Settlement is announced just before Christmas, definitive figures for 2022/23 may not be available until late December 2021.

- **Economic Uncertainty (including Inflation)** – at the time of preparing this report, the UK is facing substantial economic uncertainty following Brexit and the Pandemic. This includes disruption to supply chains which is leading to shortages in a wide range of raw materials, goods and services (e.g. this has led to fuel shortages following a sudden increase demand, further adding to the problem). Most directly relevant to this MTFP perhaps is inflation. The August 2021 CPI rate was 3.2%, its highest point for some time, and well above the Government’s long-term inflation target of 2.0%. The Bank of England (in its August 2021 Monetary Policy Report) has indicated its expectation that CPI will rise further to 4.0% in late 2022, eventually settling back down at 2.0% in late 2023. However, there is some speculation in the media that inflation could spiral to levels unseen in the UK since the 1970s. Overall therefore, price inflation is a significant concern.
- **Balance Sheet** – as reported to Cabinet on 13th September 2021, due to a range of factors, including recent accounting adjustments and reserve movements, the balance of £4.017 million (subject to audit) on the Council’s General Fund Reserve as at 31st March 2021 is now very close to its agreed minimum contingency balance of £4.0 million.

This consequently heightens pressure on the 2021/22 budget which includes a planned contribution of £1.350 million from the same reserve, as well the MTFP for 2022/23 and beyond.

### 3. Financial Projections

#### 3.1 Current Spending Levels

3.1.1 The starting point for developing the MTFP is the current level of spending. The 2021/22 General Fund base budget was adopted approved by the Council on 25th February 2021 and can be summarised as follows:

Description	2021/22 Budget
	£'s
Employees	23,910,290
Premises	2,959,140
Transport	361,520
Supplies & Services	8,814,200
Support Services	51,250
Contracted Services	6,384,160
Transfer Payments (Housing Benefits)	25,405,300
Financing Costs	2,215,000
<b>Gross Expenditure</b>	<b>70,100,860</b>
Fees & Charges	(15,650,480)
Government Contributions (including Housing Benefit Subsidy)	(27,208,730)
Miscellaneous Income (including Qualis)	(3,598,130)
Other Contributions	(2,964,800)
HRA Recharges	(3,988,330)
<b>Net Expenditure</b>	<b>16,690,390</b>

3.1.2 It should be noted that, as reported to Cabinet in February 2021, late service realignments meant that the General Fund service structure presented within the initial 2021/22 Budget required further refinement. The required changes, which have been actioned and were presented in the 2021/22 Quarter 1 Budget Monitoring Report (Stronger Council Select Committee 14th September 2021) were relatively slight and have no impact on Net Expenditure or Funding.

3.1.3 Net expenditure is funded as follows:

Description	2021/22 Budget
	£'s
Council Tax	(8,235,690)
Business Rates	(5,162,020)
Collection Fund Adjustments	336,410
Council Tax Sharing Agreement (CTSA)	(340,000)
<i>Non-Specific Grants:</i>	
New Homes Bonus	(477,480)
Lower-Tier Services Grant	(185,880)
Other	(12,410)
Government Support for Covid-19	(1,263,320)
Contributions to/ (use of) Reserves	(1,350,000)
<b>Total Funding</b>	<b>16,690,390</b>

### 3.2 Increased/(Reduced) Budget Demand

3.2.1 Based on an initial high-level review of the current base budget, and anticipated budget demand in 2022/23 and beyond, several areas of changed budgetary demand have been identified and are presented in the table below.

<b>Medium-Term Increased/(Reduced) Budget Demand (@ October 2021)</b>					
<b>Description</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
<b>Employees</b>					
Unfunded Planning Posts (2+)	71,300	0	0	0	0
Executive Assistant (COO) post	27,900	0	0	0	0
Insurance Specialist	50,000	0	0	0	0
Building Control Staff Mileage	13,000	0	0	0	0
Pens Deficit Reduction Payments	21,936	0	0	0	0
Added Yrs/Unf'd Pens Payments	240,000	(20,000)	(20,000)	(20,000)	(20,000)
Reg Services (Sal over-provision)	(6,500)	0	0	0	0
<b>Supplies &amp; Services</b>					
Insurance Premium	161,300	0	0	0	0
Storage & Archiving	14,200	0	0	0	0
Firmstep Forms & CRM	17,578	0	0	0	0
FIMS Replacement	3,840	0	0	0	0
Gemalto Safenet	19,000	0	0	0	0
Mobile Phones	(80,000)	0	0	0	0
DP Project Support	(45,000)	0	0	0	0
Local Plan Legal Fees	(50,500)	0	0	0	0
<b>Contracted Services</b>					
Waste Contract (Variable Costs)	200,000	0	0	0	0
New Waste Contract (Resources)	0	0	366,667	733,333	0
New Waste Contract (Recycling)	0	0	66,667	133,333	0
<b>Transfer Payments</b>					
Reduced HB Payments	(3,327,453)	(2,661,962)	(2,129,570)	(1,703,656)	(1,362,925)
<b>Fees &amp; Charges</b>					
Car Park Season Tickets	160,000	0	0	0	0
Civic Offices Lease	110,570	(86,610)	(72,175)	0	0
Leisure Contract Income	(971,430)	0	0	0	0
Car Parking (Pay & Display)	(35,696)	107,852	0	0	0
Planning Applications Income	(106,000)	0	0	0	0
<b>Government Contributions</b>					
Reduced HB Claim	3,327,453	2,661,962	2,129,570	1,703,656	1,362,925
Reduced HB Admin Subsidy	12,041	9,633	7,706	6,166	4,932
<b>HRA Recharges</b>					
Increased Recharges	(500,000)	0	0	0	0
<b>Net Increased/(Reduced) Budget Demand</b>	<b>(672,461)</b>	<b>10,875</b>	<b>348,865</b>	<b>852,832</b>	<b>(15,068)</b>

3.2.2 The table shows a net decrease in budget demand of £672,461 in 2022/23, but significant increases are anticipated in 2024/25 (£348,865) and 2025/26 (£852,832) especially. There are two major factors to note:

- *Leisure Contract Income (2022/23 - £971,430 positive)* – Leisure Centre usage has increased significantly in recent weeks and now exceeds the expectations included in the MTFP adopted in February 2021. The full Management Fee of £1.471 million is now expected to be restored in 2022/23; and

- Waste Management Contract (2024/25 & 2025/26) – initial estimates as to the additional cost of the new Waste Management contract in 2024/25 suggest an additional cost pressure of £1.3 million (although, at the time of preparing this report, officers are exploring the potential for savings to at least partially offset these costs).

### 3.3 Inflation

3.3.1 Inflationary pressures have been reviewed based on latest available intelligence and are presented in the table below.

<b>Medium-Term Inflation Assumptions (@ October 2021)</b>					
<b>Description</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Employees	<b>486,559</b>	744,435	766,168	788,553	811,609
Premises	<b>147,957</b>	62,142	63,385	64,652	65,945
Transport	<b>7,230</b>	7,375	7,522	7,673	7,826
Supplies & Services	<b>177,092</b>	182,180	185,238	188,963	192,762
Support Services	<b>1,025</b>	1,046	1,067	1,088	1,110
Contracted Services	<b>82,302</b>	66,665	74,165	83,573	84,409
Fees & Charges	<b>(329,861)</b>	(336,033)	(344,197)	(351,081)	(358,103)
HRA Recharges	<b>(89,767)</b>	(119,031)	(122,125)	(125,301)	(128,559)
<b>Net Increased/(Reduced) Budget Demand</b>	<b>482,538</b>	<b>608,778</b>	<b>631,221</b>	<b>658,119</b>	<b>677,000</b>

3.3.2 It should be emphasised that – at the time of preparing this report – there are substantial uncertainties as to the future direction of inflation. Initial assumptions will be refined in the coming weeks as further intelligence emerges. The most recently available (August 2021) published CPI was 3.2%.

3.3.3 In most cases, an inflation rate of 2.0% (the Bank of England's long-term target rate) has initially been assumed. There are two significant exceptions:

- Employee Costs – whilst a 2.0% pay increase has been assumed for 2022/23, it is recognised that there is likely to be a longer-term upward pressure on pay awards, so annual increases of 3.0% have been assumed for 2023/24 onwards; and
- Premises Costs – at the time of preparing this report, energy prices are increasing significantly. It has therefore been assumed that Premises Costs will rise by 5.0% in 2022/23, settling back down to 2.0% in 2023/24. However, the situation is currently extremely volatile so assumptions will be further reviewed in preparing the draft budget.

3.3.4 Given the current financial challenge that the Council faces, it has been assumed that Fees and Charges will rise by an *average* of 2.0%. However, the Council does not have the discretion to unilaterally raise statutory fees and charges, and there is currently no assumption that Car Parking charges will increase. Consequently, some fees and charges will have to rise in excess of 2.0% for the average to be achieved.

3.3.5 It should be noted that the Government's recent decision to increase Employers' National Insurance contributions by 1.25% (1.25p in the pound) have been assumed as cost neutral in this iteration of the MTFP. Although the Council's annual costs are expected to increase by an amount in the region of £175,000, the Government has expressed an intention to protect public sector employers from this additional cost. Further details as to if and how this will happen are awaited.

### 3.4 Budget Growth

3.4.1 No discretionary Budget Growth items have been assumed in these projections. Given the Council's current financial position, it is assumed that any potential growth items – which are in line with Council priorities – will be prioritised and funded from budget reallocations/savings. The potential re-prioritisation of financial resources is matter for Members to consider.

### 3.5 Revenue Consequences of the Capital Programme

3.5.1 The assumptions on Qualis loans have been updated, and now encompass the rollout of the recently agreed additional £35.0 million loan facility. This is contributing to an increase of £996,100 in Finance Costs (reflecting the cost of PWLB loans), which is outweighed by an increase of £1,500,000 in Miscellaneous Income (loan repayments from Qualis to the Council). There is an overall Net Reduction in budget demand of £478,900. Further work on refining the detailed assumptions on Capital will be undertaken prior to preparing the draft budget.

### 3.6 Savings

3.6.1 There are currently no Savings assumed within the projections. The views of Members are sought on the prioritisation of potential cashable savings in the context of the Budget Deficit and Council priorities, whether from spending reductions or increased income.

### 3.7 Funding

3.7.1 The Council's core funding streams have been reviewed based on the latest available intelligence. The relevant budget movements are summarised in the table below.

<b>Medium-Term Funding Assumptions (@ October 2021)</b>					
<b>Description</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Council Tax	<b>(404,250)</b>	(540,290)	(465,070)	(462,860)	(470,520)
Business Rates	<b>199,560</b>	(99,250)	(101,230)	(103,260)	(105,320)
Collection Fund Adjustments	<b>(186,410)</b>	(150,000)	0	0	0
Council Tax Sharing Agreement	<b>(210,000)</b>	(100,000)	(13,000)	(13,260)	(13,530)
New Homes Bonus	<b>25,760</b>	451,720	0	0	0
Lower-Tier Services Grant	<b>185,880</b>	0	0	0	0
Credit Loss Adjustments	<b>(50,970)</b>	0	0	31,860	19,110
Government Support for Covid-19	<b>1,263,320</b>	0	0	0	0
Reserve Contributions	<b>1,350,000</b>	0	0	0	0
<b>Net Increased/(Reduced) Budget Demand</b>	<b>2,172,890</b>	<b>(437,820)</b>	<b>(579,300)</b>	<b>(547,520)</b>	<b>(570,260)</b>



### 3.7.2 The key budget assumptions captured in the table are as follows:

- Council Tax – there is a provisional assumption that the Council will increase the Council Tax by £5 for a Band D property for the duration of the MTFP. This is currently the maximum amount allowable. Such an increase would generate an estimated funding increase of around £400,000 in 2022/23 (allowing for some recovery in the tax base following the pandemic)
- Business Rates – initial projections of the estimated amount that the Council can expect to receive from the Business Rates Retention (BRR) scheme in 2022/23 have been completed. This results in an initial reduction of £199,560, although there is currently significant uncertainty as to how the Government will treat the Business Rates Multiplier for 2022/23; this usually increases by September CPI, but the default position is something that can be (and has been) disregarded in the past. A cautious 2.0% increase has been assumed in these projections compared to a CPI rate of 3.2% in August 2021
- Collection Fund Adjustments – the complexities created by the pandemic make an accurate estimate of the Collection Fund adjustment very difficult at this stage. However, as at 31st March 2021, the Council held an Earmarked Reserve of £6.650 million funded by surplus Section 31 money paid by Government as compensation for extended Business Rates Reliefs granted in response to the pandemic; this represents 40.1% of the cumulative deficit on the Business Rates share of the Collection Fund at the same point in time. Consequently, a ‘zero adjustment’ is assumed in 2022/23 for Business Rates.

The cumulative deficit on the Council Tax share of the Collection Fund is not mitigated by an Earmarked Reserve. At this stage therefore a negative Collection Fund adjustment of £150,000 (13.7% of cumulative deficit) has been assumed for Council Tax.

- Council Tax Sharing Agreement (CTSA) – the prospects for CTSA have improved since the last iteration of the MTFP in February 2021, with Quarter 1 projections for 2021/22 out-performing a budget expectation of £340,000. The improvement is expected to continue, and assumed funding from this source in 2022/23 has been assumed to rise to £550,000 (and up to circa £690,000 by 2026/27)
- Grants – following the demise of Revenue Support Grant (RSG) funding from the Government, the most significant remaining grant within the annual Settlement is the New Homes Bonus (NHB). The Government consulted on a replacement for the NHB earlier this year. Any new housing incentive scheme will reflect a more targeted approach that rewards local government where they are ‘ambitious’ in delivering housing growth. At this stage, there is no further detail on what form the new scheme will take. For now, legacy payments of £451,720 are assumed in 2022/23 only, with nothing beyond. Lower Tier Services Grant of £185,880 has been received in 2021/22; this is assumed to be a one-off payment, so has been removed from future funding assumptions
- Credit Loss Adjustments – it is a technical accounting requirement for the Council to provide for estimated credit losses on the £6.0 million Working Capital Loan to Qualis. For each year that Qualis maintains its loan payments, the size of that provision can be reduced, thus releasing revenue funds from the General Fund Reserve (£172,020 from 2022/23 to 2025/26)
- Government Support for Covid-19 – assumed Government funding of £1.263 million for 2021/22 for the pandemic, is expected to be discontinued. No Government support is assumed in 2022/23 and beyond; and

- Contribution to (from) Reserves – the 2021/22 budget is supported by a budgeted contribution of £1.350 million from the General Fund Reserve based on intelligence at the time of setting the budget in February 2021. The MTFP produced at the time also included the assumed use of £0.50 million in 2022/23. As reported to full Council on 29th July 2021, the Council’s General Fund Reserve is now very close to its adopted minimum contingency balance of £4.0 million. Consequently, there are no longer any surplus funds available to support the 2022/23 budget.

It should be noted that, as reported in the Quarter 1 2021/22 Budget Monitoring Report (Stronger Council Select Committee 14th September 2021), officers are working on achieving a “managed surplus” on the 2021/22 in order to eliminate (or significantly reduce) the originally planned drawdown on the General Fund Reserve. If this cannot be achieved, or for any other reason the balance falls below £4.0 million, then there is a potential requirement to replenish the Reserve; this would add to the deficits in this MTFP.

### 3.8 Summary Position

3.8.1 After taking account of the projections made in Sections 3.2 to 3.7 above, the projected medium-term revenue position for the General Fund (2022/23 to 2026/27), is summarised in the table below.

Description	2021/22 BUDGET/ BASELINE	2022/23 BUDGET STRATEGY	2023/24	2024/25	2025/26	2026/27
	£000's	£000's	£000's	£000's	£000's	£000's
<b>NET EXPENDITURE</b>						
Employees	23,910	24,814	25,539	26,285	27,054	27,845
Premises	2,959	3,107	3,169	3,233	3,297	3,363
Transport	362	369	376	384	391	399
Supplies & Services	8,814	9,057	9,262	9,448	9,638	9,832
Support Services	51	52	53	54	55	57
Contracted Services	6,384	6,666	6,983	7,491	8,441	8,525
Transfer Payments	25,405	22,078	19,416	17,286	15,583	14,220
Financing Costs	2,215	3,211	4,332	5,249	5,423	5,404
<b>Gross Expenditure</b>	<b>70,101</b>	<b>69,355</b>	<b>69,130</b>	<b>69,430</b>	<b>69,883</b>	<b>69,645</b>
Fees & Charges	(15,650)	(16,823)	(17,138)	(17,554)	(17,905)	(18,263)
Government Contributions	(27,209)	(23,869)	(21,198)	(19,060)	(17,351)	(15,983)
Miscellaneous Income (including Qualis)	(3,598)	(5,098)	(6,338)	(7,078)	(7,078)	(7,078)
Other Contributions	(2,965)	(2,965)	(2,965)	(2,965)	(2,965)	(2,965)
HRA Recharges	(3,988)	(4,578)	(4,697)	(4,819)	(4,945)	(5,073)
<b>Net Expenditure</b>	<b>16,690</b>	<b>16,022</b>	<b>16,795</b>	<b>17,953</b>	<b>19,639</b>	<b>20,283</b>
<b>FUNDING</b>						
Council Tax	(8,236)	(8,640)	(9,180)	(9,645)	(10,108)	(10,579)
Business Rates	(5,162)	(4,962)	(5,062)	(5,163)	(5,266)	(5,372)
Collection Fund Adjustments	336	150	0	0	0	0
Council Tax Sharing Agreement (CTSA)	(340)	(550)	(650)	(663)	(676)	(690)
New Homes Bonus	(477)	(452)	0	0	0	0
Covid-19 Funding	(1,263)	0	0	0	0	0
L-T Services Grant	(186)	0	0	0	0	0
Other Grants	(12)	(12)	(12)	(12)	(12)	(12)
Credit Loss Adjustment	0	(51)	(51)	(51)	(19)	0
Contribution to/(from) Reserves	(1,350)	0	0	0	0	0
<b>Total Funding</b>	<b>(16,690)</b>	<b>(14,518)</b>	<b>(14,955)</b>	<b>(15,535)</b>	<b>(16,082)</b>	<b>(16,652)</b>
<b>In-Year (Surplus)/Deficit</b>	<b>0</b>	<b>1,504</b>	<b>336</b>	<b>579</b>	<b>1,139</b>	<b>74</b>
<b>Cumulative (Surplus)/Deficit</b>	<b>0</b>	<b>1,504</b>	<b>1,840</b>	<b>2,418</b>	<b>3,557</b>	<b>3,631</b>

- 3.8.2 The table above shows a deficit of £1.5 million for 2022/23. This primarily reflects the impact of losing Government Support for Covid-19 (£1.263 million) and the contribution from the General Reserve (£1.350) compared to 2021/22. Estimated net expenditure in 2022/23 is £16.022 million, compared to available funding of £14.518 million. The Council is required to eliminate this deficit and set a balanced budget for 2022/23 in February 2021.
- 3.8.3 Looking further ahead, a further budget gap is expected to open-up again from 2023/24, with a peak annual budget pressure of £1.139 million occurring in 2025/26, following the letting of the new Waste Management contract.
- 3.8.4 It should be re-emphasised that these figures represent the first iteration of the MTFP in the 2022/23 budget cycle. Finance officers will now work on further refining these estimates in preparing the initial draft Budget proposals. The numbers presented can be expected to both increase and decrease in the coming months, and other factors could also potentially emerge that are not currently reflected in the figures and will have to be factored in.

**Updated Medium-Term Financial Plan 2022/23 to 2026/27****HOUSING REVENUE ACCOUNT***October 2021***1. Background**

1.1 The preparation of a Medium-Term Financial Plan (MTFP) provides the cornerstone on which the Council can build and deliver services in accordance with the aims and objectives outlined in the Corporate Plan 2018-2023, which are grouped under the three corporate ambitions:

- Stronger Communities
- Stronger Place; and
- Stronger Council.

1.2 The Housing Revenue Account (HRA) embraces both the Communities and Place ambitions to an extent, although the Council has a very clear vision as to where the HRA fits as an integral part of a Stronger Place, which is underpinned by specific aims and objectives, including:

- 2 Aim – *delivering effective core services that people want; and*
- 3 Objective – *improving the district housing offer.*

1.3 Through ‘horizon scanning’ and anticipating necessary change at the earliest opportunity, resilience and the ability to react to and withstand ‘major shocks’ is achieved. Above all, a robust MTFP for the HRA is also critical to achieving compliance with the Council’s legal duty under the Local Government Housing Act 1989 to “maintain a balanced account” and ultimately long-term financial sustainability.

**2. Introduction**

2.1 This is the first iteration of the MTFP for the HRA in the 2022/23 budget cycle. It is a forward-looking document which provides a tentative look at the Council’s HRA picture over the next five years (2022/23 to 2026/27) and re-evaluates the position in the light of developments since the 2021/22 Budget was adopted by the Council in February 2021. Exceptionally, in the light of emerging intelligence from the ongoing HRA Business Plan review, a revised budget for the remainder of 2021/22 is proposed.

2.2 As reported to Members in February 2021, the HRA Business Plan (which underpins final planning on the HRA) has been subjected to a detailed review, which commenced in the spring of 2021. The Council’s current 30-Year Business Plan was adopted by the Council in 2018, immediately prior to the Government announcement removing the HRA Borrowing Cap. This has led to a more expansive approach by the Council with Housing Development at its heart.

- 2.3 A new Business Plan is being designed to support the Council in its current ambitions for Housing, whilst ensuring the long-term financial sustainability of the HRA. It is a detailed undertaking, with the initial results of that exercise, having been used to develop this iteration of the MTFP.
- 2.4 The MTFP is deliberately concise, focussing on the most significant HRA-related financial issues faced by Epping Forest District Council over the medium-term. Key challenges faced by the HRA over the medium term include the financing of an ambitious Housing Development whilst, maintaining and improving existing Housing Stock. In addition, the Council has been managing some financial pressure on the cost of Housing Repairs, with (demand-led) Void Repairs having been a stubborn problem in recent years.

### **3. Financial Projections**

#### **3.1 2021/22 Budget Adjustments**

- 3.1.1 The starting point for developing the MTFP is the current budget. The 2021/22 HRA budget was approved by the Council on 25th February 2021. It was a balanced budget comprising Net Operating Income of £1.793 million.
- 3.1.2 In order to develop the MTFP for 2022/23 to 2026/27, it is important to represent the original 2021/22 budget. This requires some small adjustments in two categories:
- Notional Accounting Adjustments – specifically, these relate to “IAS19” Pensions adjustments, which are reversed out and required for technical accounting purposes only; and
  - Business Plan Adjustments – the early results of the review have identified a need to make a limited number of adjustments based upon some changes to capital financing assumptions, relating especially to the re-profiled Housing Development programme (presented elsewhere on this agenda) and the use of the Major Repairs Reserve.
- 3.1.3 The impact on the budget is presented in the table below.

<b>2021/22 Budget: HRA</b>				
	<b>Opening Budget (Council 25/02/21)</b>	<b>IAS19 Adjustments</b>	<b>Business Plan Adjustments</b>	<b>Adjusted Budget 1st October 2021</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Employees	4,959,471	- 563,428	-	4,396,043
Premises	3,320,015	-	-	3,320,015
Transport	67,602	-	-	67,602
Supplies & Services	821,663	35,710	-	857,373
Contracted Services	5,987,144	-	-	5,987,144
Support Services (GF Recharges)	3,988,330	-	-	3,988,330
Debt Management Expenses	56,500	-	-	56,500
Bad Debt Provision	91,000	-	2,000	89,000
Depreciation	8,782,000	-	-	8,782,000
<b>Total Expenditure</b>	<b>28,073,725</b>	<b>- 527,718</b>	<b>- 2,000</b>	<b>27,544,007</b>
Rental Income - Dwellings	- 33,349,344	-	77,656	- 33,427,000
Rental Income - Non-Dwellings	- 809,512	-	-	- 809,512
Fees and Charges (Charges for Services)	- 2,092,091	-	-	- 2,092,091
Other Contributions (Shared Amenities)	- 357,000	-	-	- 357,000
<b>Total Income</b>	<b>- 36,607,947</b>	<b>-</b>	<b>77,656</b>	<b>- 36,685,603</b>
<b>Net Cost of Service</b>	<b>- 8,534,222</b>	<b>- 527,718</b>	<b>- 79,656</b>	<b>- 9,141,596</b>
Interest Received	- 36,060	-	6,060	- 30,000
Financing Costs	6,125,000	-	387,000	5,738,000
Pension Interest / Return on Assets	652,000	- 652,000	-	-
<b>Net Operating Income</b>	<b>- 1,793,282</b>	<b>- 1,179,718</b>	<b>- 460,596</b>	<b>- 3,433,596</b>
<b>Appropriations:</b>				
IAS 19 Pension Adjustment	- 1,179,718	1,179,718	-	-
HRA Contribution to Capital	2,973,000	-	2,190,000	783,000
Contribution to/(from) Reserves				
<b>Total Appropriations</b>	<b>1,793,282</b>	<b>1,179,718</b>	<b>-2,190,000</b>	<b>783,000</b>
<b>In-Year (Surplus)/Deficit</b>	<b>0</b>			<b>-2,650,596</b>

3.1.4 The table above shows that (ignoring actual net spending in the year) the 2021/22 budget will record a surplus of £2.650 million due to the reduced need for Revenue Contributions to Capital; this will be used to help fund the 2022/23 Capital Programme (instead of 2021/22).

## 3.2 Medium-Term Financial Plan

3.2.1 The Adjusted Budget described in Section 3.1 above, has been used as the baseline for producing the MTFP for 2022/23 to 2026/27. The outcome is summarised in the table below.

Housing Revenue Account MTFP (@ October 2021)						
Description	Adjusted Budget	Estimated Budget	Estimated Budget	Estimated Budget	Estimated Budget	Estimated Budget
	1st October 2021	Requirement 2022/23	Requirement 2023/24	Requirement 2024/25	Requirement 2025/26	Requirement 2026/27
	£'s	£'s	£'s	£'s	£'s	£'s
Employees	4,396,043	4,455,088	4,617,540	4,783,668	4,927,179	5,074,994
Premises	3,320,015	3,456,809	3,525,945	3,596,464	3,668,393	3,741,761
Transport	67,602	68,954	70,333	71,740	73,175	74,638
Supplies & Services	857,373	943,166	962,030	981,270	1,000,896	1,020,914
Contracted Services	5,987,144	6,106,887	6,229,025	6,353,605	5,532,804	5,670,838
Support Services (GF Recharges)	3,988,330	4,578,097	4,697,128	4,819,253	4,944,554	5,069,855
Debt Management Expenses	56,500	58,000	59,000	60,000	61,000	62,000
Bad Debt Provision	89,000	92,000	97,000	102,000	108,000	109,000
Depreciation	8,782,000	8,958,000	9,137,000	9,320,000	9,506,000	9,696,000
<b>Total Expenditure</b>	<b>27,544,007</b>	<b>28,717,000</b>	<b>29,395,000</b>	<b>30,088,000</b>	<b>29,822,000</b>	<b>30,520,000</b>
Rental Income - Dwellings	- 33,427,000	- 34,883,000	- 36,844,000	- 38,763,000	- 40,934,000	- 41,405,000
Rental Income - Non-Dwellings	- 809,512	- 827,000	- 843,000	- 860,000	- 877,000	- 895,000
Fees and Charges (Charges for Services)	- 2,092,091	- 1,500,000	- 1,530,000	- 1,560,000	- 1,592,000	- 1,623,000
Other Contributions (Shared Amenities)	- 357,000	- 364,000	- 371,000	- 379,000	- 386,000	- 394,000
<b>Total Income</b>	<b>- 36,685,603</b>	<b>- 37,574,000</b>	<b>- 39,588,000</b>	<b>- 41,562,000</b>	<b>- 43,789,000</b>	<b>- 44,317,000</b>
<b>Net Cost of Service</b>	<b>- 9,141,596</b>	<b>- 8,857,000</b>	<b>- 10,193,000</b>	<b>- 11,474,000</b>	<b>- 13,967,000</b>	<b>- 13,797,000</b>
Interest Received	- 30,000	- 4,000	- 2,000	- 1,000	-	- 3,000
Financing Costs	5,738,000	5,595,000	6,186,000	6,730,000	6,952,000	6,991,000
<b>Net Operating Income</b>	<b>- 3,433,596</b>	<b>- 3,266,000</b>	<b>- 4,009,000</b>	<b>- 4,745,000</b>	<b>- 7,015,000</b>	<b>- 6,809,000</b>
<b>Appropriations:</b>						
HRA Contribution to Capital	783,000	6,021,000	4,011,000	4,745,000	7,017,000	4,891,000
Contribution to/(from) Reserves	0	0	0	0	0	0
<b>Total Appropriations</b>	<b>783,000</b>	<b>6,021,000</b>	<b>4,011,000</b>	<b>4,745,000</b>	<b>7,017,000</b>	<b>4,891,000</b>
<b>In-Year (Surplus)/Deficit</b>	<b>- 2,650,596</b>	<b>2,755,000</b>	<b>2,000</b>	<b>0</b>	<b>2,000</b>	<b>- 1,918,000</b>

3.2.2 There are a range of issues and assumptions underpinning the position presented in the table. These include:

- **Inflation** – consistency with the General Fund has been applied to inflationary assumptions (e.g. through a core 2.0% increase on expenditure). On Housing Rents, a 3.0% rent increase has been assumed throughout in accordance with the Rent Standard (Inflation + 1%); that assumption will be refined upon release of the September 2021 CPI rate. It should also be noted that 2025/26 is a 53 Week Rent Year, thus providing additional income
- **Increased Budget Demand** – in addition to inflation, some other miscellaneous budget pressures are embedded within the MTFP. Of immediate concern is lost income from the “Telecare” service (£268,740 in 2022/23 base budget), which is now a free service provided by Essex County Council (this is currently impacting on the 2021/22 budget); and



- (Reduced) Budget Demand – there are also some positives to note. The development of the new HRA Business Plan has identified some improved assumptions for rental income (e.g. with new properties coming into the portfolio). It is also worth noting an assumed saving of £900,000 in the base budget for Housing Repairs with effect from 2025/26 (one of the deliverables included in the Qualis initiative).

3.2.3 It can be seen from the table that a deficit of £2.755 million is revealed in 2022/23, following an initial surplus of £2.651 million in 2021/22 (described above in Paragraph 3.1.4). The surplus virtually matches the deficit, so achieves stability over the two-year period.

3.2.4 The table also shows a relatively stable position from 2023/24 onwards, with a surplus of £1.918 million anticipated in 2016/17.

### **3.3 HRA Business Plan (“Fortress”)**

3.3.1 The HRA Subsidy Determination 2011/12 introduced 30-year modelling for the first time as part of the move to the ‘self-financing’ regime for local authority housing in April 2012, with councils (who retained a housing stock) taking on debt in lieu of making subsidy payments to the Government.

3.3.2 As noted above in Paragraph 2.2, the Council’s existing 30-Year Business Plan, which assumes the repayment of debt in full, is now obsolete and does not support current Housing Development plans. The development of an updated Plan is therefore a priority and to that end, the Council is utilising “Fortress”.

3.3.3 The Fortress model is a forecasting and stress-testing HRA Business Plan model that provides local authorities with business plan results derived from the Council’s own housing data, with the ability to overlay scenarios and test sensitivity to change.

3.3.4 In simple terms, an HRA Business Plan considers the timing and expected amount of all sources of income and expenditure (both revenue and capital) in the HRA over a period of up to 40 years and, given a range of economic factors, will predict whether:

- The HRA can repay its loans as they fall due; and
- The HRA maintains a minimum level of revenue balances over the life of the plan.

3.3.5 The model takes account of the investment required to manage and maintain existing housing stock as well as that required to build and maintain new development. It can forecast likely income that from RTB sales and predict whether 1-4-1 receipts can be fully utilised within Government deadlines. It can also forecast the need for, and affordability of, additional borrowing to support the Capital Programme and other aspirational plans.

3.3.6 Once the Council’s HRA Business Plan has been agreed, Fortress can be used extensively for the purposes of scenario planning encompassing a range of “what ifs” about a wide range of economic factors.

- 3.3.7 Populating the model is a substantial undertaking, with a vast range of inputs required from budgets, reserves and loans, through to stock numbers, rent information and Housing Development plans. The Rent Module is especially comprehensive with the rent basis for all 6,382 social and affordable rented properties loaded into the model; the exercise has already flagged a range of anomalies that are being targeted for future improvement, which will increase technical compliance and drive additional income.
- 3.3.8 The Housing team are currently preparing more granular detail on the phasing of the Capital Works programme, which will allow further refinement of the figures. Of greater significance is the Stock Condition Survey which is currently in progress; once complete, the exercise will enhance the accuracy of the outputs from the model and will also enable the Plan to be extended from 30 to 40 years.
- 3.3.9 It is possible at this stage to draw some early conclusions. Based on current data on development and stock condition profiling, the HRA Business Plan should:
- Maintain the existing housing stock in accordance with lifecycle replacement costs (caveat – but the new Stock Condition Survey may provide different results), subject to smoothing of expected works over 2022/23, 2023/24 and 2024/25; and
  - Deliver a mixture of affordable rent and shared ownership properties by 2025/26, including:
    - New Build Properties (212 affordable rent units); and
    - Qualis Acquisitions (22 shared ownership, and 67 affordable rent units).
- 3.3.10 This can be achieved whilst maintaining a minimum HRA revenue balance of £2.0 million over 30 years, although to achieve the development programme, further borrowing will be needed to supplement the use of capital receipts, grants, 1-4-1 replacement receipts and revenue contributions. The plan will also require future loan refinancing to fund repayments totalling £120.0 million as they fall due. Borrowing is minimised through a range of measures including the use of the earmarked Self-Financing Reserve (£12.720 million as at 31/03/21) and the Major Repairs Reserve (£8.840 million as at 31/03/21). Peak debt of £240.980 million is forecast in Year 20.
- 3.3.11 Upon completion of detailed refinements, including further consultation with our Treasury Management advisors, Arlingclose and the incorporation of the results from the Stock Condition Survey, a new (40-Year) HRA Business Plan will be formally prepared and presented to scrutiny before proceeding to Cabinet for approval.



### **Report to Stronger Council Select Committee**

**Date of meeting: 16th November 2021**

**Subject: Capital Programme Update 2022/23 to 2026/27**

**Portfolio: Finance, Qualis Client & Economic Development - Cllr. John Philip**

**Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)**

**Democratic Services Officer: Adrian Hendry 01992 564246**

---

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

**To consider the Capital Programme Update 2022/23 to 2026/27 as presented to Cabinet on 11th October 2021 (*Appendix A*), and to make such comments and/or recommendations as the Committee feels appropriate so that Cabinet can consider these on 6th December 2021, when they meet to consider draft budget options, including the Capital Programme for 2022/23.**

#### **Executive Summary:**

Cabinet considered the Capital Programme Update for 2022/23 to 2026/27 on 11th October 2021. At that meeting the contents of the report were considered and discussed, including the implications for both the General Fund and Housing Revenue Account.

Cabinet also agreed that the report should go forward for scrutiny by the Stronger Council Select Committee in accordance with the Financial Planning Framework (2022/23 to 2026/27) adopted on 13th September 2021.

The updated (indicative) Capital Programme is in two parts and comprises total investment of £277.834 million (General Fund £107.537 million, Housing Revenue Account £170.297 million) over the five-year period 2022/23 to 2026/27.

The purpose of the report is to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an indicative draft Capital Programme for 2022/23 to 2026/27.

The next stage in the process (currently in progress) will see the assumptions and projections further refined (including making the necessary adjustments to the ‘capital consequences’ assumed in revenue budgets), for consideration by Cabinet on 6th December 2021, alongside feedback from this Committee.

#### **Reason for Decision:**

This report facilitates the scrutiny of the Council’s updated (initial) draft Capital Programme as presented to Cabinet.

The comments made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 6th December 2021.

**Legal and Governance Implications:**

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. The revenue-related financial implications of the capital expenditure plans presented, are embedded in the draft Medium-Term Financial Plans (2022/23 to 2026/27).

**Safer, Cleaner, Greener Implications:**

The Capital Programme forms a key part of the Council's commitment to a 'Safer, Cleaner and Greener' (SCG) district. Most notably the General Fund Programme includes an allocation of £500,000 towards Environmental Projects over the two-year period 2021/22 to 2022/23. The Housing Revenue Account Capital Programme also includes many SCG features including a range of environmentally friendly features within the planned Housebuilding Programme.

**Consultation Undertaken:**

The potential capital investment opportunities available to the Council are a key consideration in developing policy and strategy, that is informed by the public consultation process.

The development of the 2022/23 budget – including the Capital Programme – is informed by the democratic scrutiny processes.

**Background Papers:**

None.

**Risk Management**

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the Capital Programme is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

**Report to the Cabinet**

**Report reference:** C-021-2021/22  
**Date of meeting:** 11th October  
 2021



**Portfolio:** Finance & Economic Development  
**Subject:** Capital Programme Update 2022/23 to 2026/27  
**Responsible Officer:** Andrew Small (01992 564278)  
**Democratic Services:** Adrian Hendry (01992 564246)

---

**Recommendations/Decisions Required:**

- 1) To note the contents of the report, including both the updated General Fund and Housing Revenue Account Capital Programmes (2022/23 to 2026/27) at *Appendix A*; and
- 2) Discuss and agree actions required (in the context of the updated Medium-Term Financial Plan) for the further refinement of the Capital Programme as part of developing integrated draft budget proposals for further consideration by Cabinet in December 2021.

**Executive Summary:**

The Cabinet approved an updated Financial Planning Framework (2022/23 to 2026/27) at its meeting on 13th September 2021 and committed to receiving and considering an updated Capital Programme for 2022/23 to 2026/27. This provides essential context and is a key part of early budget preparations for 2022/23.

The updated (indicative) Capital Programme is in two parts and comprises total investment of £277.834 million (General Fund £107.537 million, Housing Revenue Account £170.297 million) over the five-year period 2022/23 to 2026/27.

The purpose of this report is to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an indicative draft Capital Programme for 2022/23 to 2026/27.

**General Fund Capital: Updated Summary (Indicative only)**

Based on available intelligence at 30th September 2021, the 2021/22 Capital Programme has been re-profiled, with savings removed and indicative growth added (based on initial feedback from service areas). This results in an indicative General Fund Capital Programme totalling £107.537 million, which is summarised by service area in the table below.

<b>Draft General Fund Capital Programme 2022/23 to 2026/27: Service Analysis</b>						
<b>Service</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Community & Wellbeing	1,440	0	0	0	0	<b>1,440</b>
Commercial & Technical	17,937	13,551	1,061	1,131	1,046	<b>34,727</b>
Corporate Services	3,134	1,179	1,064	1,219	1,024	<b>7,620</b>
Housing (General Fund)	300	300	300	300	300	<b>1,500</b>
Place	250	0	0	0	0	<b>250</b>
Qualis	25,000	37,000	0	0	0	<b>62,000</b>
<b>Totals</b>	<b>48,061</b>	<b>52,030</b>	<b>2,475</b>	<b>2,650</b>	<b>2,370</b>	<b>107,537</b>

The largest area of growth is the ICT Strategy, with emerging spending pressures (as presented to Stronger Council Select Committee in April 2021) being provisionally included.

Members should note that growth items are indicative only at this point (rather than representing budget proposals), and the views of Cabinet are sought at this stage to help enable the development of firmer proposals for inclusion in the initial draft budget in December 2021.

Housing Revenue Account: Updated Summary (Indicative only)

The updated Programme totals £170.297 million and is summarised in the table below.

<b>Draft HRA Capital Programme 2022/23 to 2026/27</b>						
<b>Description</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Housing Development Programme	26,053	28,481	11,536	6,674	0	<b>72,744</b>
Capital Works	16,553	23,816	24,140	13,720	13,993	<b>92,222</b>
Other Housing Schemes	2,759	624	637	649	662	<b>5,331</b>
<b>Totals</b>	<b>45,365</b>	<b>52,921</b>	<b>36,313</b>	<b>21,043</b>	<b>14,655</b>	<b>170,297</b>

The Programme is dominated by Housing Development (£72.744 million over 4 years) and routine Capital Works (£92.222 million over 5 years).

The Housing Development Programme includes both New Build Properties and Qualis Acquisitions. There has been an upturn in demand for capital investment resources for Capital Works in the light of updated lifecycle assumptions for Gas Boilers and Flat Roofs.

The next stage in the process will see the assumptions and projections in both the General Fund and HRA Capital Programmes further refined in accordance with the direction provided by Cabinet and emerging intelligence. This will include making the necessary adjustments to the 'capital consequences' assumed in revenue budgets.

**Reasons for Proposed Decision:**

To provide an updated (initial) draft Capital Programme for the Cabinet's consideration, to allow discussion and direction in the further development of the Programme in order to balance the need to deliver on the Council's corporate priorities, whilst maintaining a balanced budget and achieving long-term financial sustainability.

**Legal and Governance Implications:**

The Council has a legal duty under the Local Government Finance Act 1992 to set a balanced budget. The revenue-related financial implications of the capital expenditure plans presented, are embedded in the draft Medium-Term Financial Plans (2022/23 to 2026/27).

**Safer, Cleaner and Greener Implications:**

The Capital Programme forms a key part of the Council's commitment to a 'Safer, Cleaner and Greener' (SCG) district. Most notably the General Fund Programme includes an allocation of £500,000 towards Environmental Projects over the two-year period 2021/22 to 2022/23. The Housing Revenue Account Capital Programme also includes many SCG features including a range of environmentally friendly features within the planned Housebuilding Programme.

**Consultation Undertaken:**

The potential capital investment opportunities available to the Council are a key consideration in developing policy and strategy, that is informed by the public consultation process. Both the General Fund and Housing Revenue Account capital programmes are purposely focussed around the delivery of the Council's Corporate Plan 2018-2023 and its three core ambitions of Stronger Communities, Stronger Place and Stronger Council.

**Background Papers:**

None.

**Risk Management:**

The consideration of risk will form an integral part of the development of the proposals in the report. In particular, the Capital Programme is based on a series of estimates and assumptions that are informed by varying forms of intelligence (some certain, some uncertain); that process, including any residual risk in the decision-making process will be clearly indicated.

## Draft Capital Programme 2022/23 to 2026/27

**GENERAL FUND & HRA***October 2021***1. Background and Introduction**

- 1.1 The Capital Programme plays a vital part in the delivery of the Council's Corporate Plan, since long-term investment is required to deliver many of the objectives in the Plan. The draft Capital Programme presented is a rolling five-year programme. It updates the five-year Programme adopted by the Council in February 2021 and takes account of spending and other developments up to 30th September 2021 (i.e. the "Quarter 2" position for 2021/22).
- 1.2 The updated Capital Programme is in two parts and comprises total investment of £277.834 million (General Fund £107.537 million, Housing Revenue Account £170.297 million) over the five-year period 2022/23 to 2026/27.
- 1.3 The purpose of this report is to present and provide context for consideration by Members – alongside the Medium-Term Financial Plans (for both the General Fund and Housing Revenue Account) – an initial draft Capital Programme for 2022/23 to 2026/27.

**2. General Fund Capital Programme 2022/23 to 2026/27 (Annex 1a)***General Fund Capital: Budget Growth*

- 2.1 A review of progress against the 2021/22 Capital Programme and initial discussions with senior officers has identified a range of growth items. This includes rolling the current Programme forward by a further year into 2026/27. The items are summarised in the table below.

<b>General Fund: Proposed Capital Growth Items (@ October 2021)</b>					
<b>Description</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>	<b>£'s</b>
Highway Ranger Vehicle & Equipment	50,000	0	0	0	0
Disabled Facilities Grants	-300	-300	-300	-300	971,210
ICT General Schemes	18,980	93,000	93,000	93,000	93,000
ICT Strategy	1,994,930	1,086,000	971,000	1,126,000	931,000
Investment Properties (Planned Works)	225,000	225,000	225,000	225,000	250,000
Operational Properties (Planned Works)	21,220	50,000	50,000	50,000	50,000
CCTV Replacement	0	0	0	130,000	45,000
Vehicle & Plant Replacements	0	0	0	0	30,000
<b>Increased/(Reduced) Budget Demand</b>	<b>2,309,830</b>	<b>1,453,700</b>	<b>1,338,700</b>	<b>1,623,700</b>	<b>2,370,210</b>

- 2.2 The table above shows an initial overall growth need of £9.096 million over five years (including £2.372 million in 2026/27), although it should be noted that spending on Disabled Facilities Grants is funded by a Government grant.



- 2.3 The largest element in the table above is the ICT Strategy; emerging spending pressures (as presented to Stronger Council Select Committee in April 2021) have been provisionally included. This includes the migration of several applications to ‘Software as a Service’. Some applications are already in the process of being migrated, such as Planning, Local Land Charges, Grounds Maintenance and BACS processing, with others being considered for future financial years. The proposals also include moving other applications to hosted solutions with the supplier or migrating (as part of the datacentre) to Azure.
- 2.4 Investment is also proposed to the remaining on-site infrastructure to ensure it is fit for purpose while the migration to the Cloud happens. Full migration would take 2 to 3 years, and significant network changes would be required to facilitate the new Cloud-based way of working.
- 2.5 Members should note that growth items are indicative only at this point (rather than representing budget proposals), and the views of Cabinet are sought at this stage to help enable the development of firmer proposals for inclusion in the initial draft budget in December 2021.

General Fund Capital: Updated Summary

- 2.6 Based on available intelligence at 30th September 2021, the 2021/22 Capital Programme has been re-profiled, with Savings (CCTV and Disabled Facilities Grants) removed and Growth (above) added. This results in an updated General Fund Capital Programme totalling £107.537 million, which is summarised by service area in the table below.

<b>Draft General Fund Capital Programme 2022/23 to 2026/27: Service Analysis</b>						
<b>Service</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Community & Wellbeing	1,440	0	0	0	0	<b>1,440</b>
Commercial & Technical	17,937	13,551	1,061	1,131	1,046	<b>34,727</b>
Corporate Services	3,134	1,179	1,064	1,219	1,024	<b>7,620</b>
Housing (General Fund)	300	300	300	300	300	<b>1,500</b>
Place	250	0	0	0	0	<b>250</b>
Qualis	25,000	37,000	0	0	0	<b>62,000</b>
<b>Totals</b>	<b>48,061</b>	<b>52,030</b>	<b>2,475</b>	<b>2,650</b>	<b>2,370</b>	<b>107,537</b>

- 2.7 The individual schemes in the table above include the following:

- **Community and Wellbeing (£1.440 million)** – the Museum and Library Joint Facility at Waltham Abbey is the sole capital scheme within the Community and Wellbeing Service. Cabinet approved total funding for the scheme of £1.54 million in December 2020 and preliminary work has been completed to get the project to “RIBA Stage 2”. However, the project is currently paused due to wider conversations with the Library and other partners about a coherent community hub approach to service delivery across the district which can be underpinned both by the community hub based at the Civic Offices and any future community hub born out of a partnership to combine both the Museum and Library in Waltham Abbey.

- **Commercial and Technical (£34.727 million)** – the Commercial and Technical service is leading on seven separate schemes, which are dominated by four in particular:
  - **Cartersfield Road (£2.414 million)** – the scheme – approved by Cabinet in February 2021 – entails the redevelopment of a group of Council-owned industrial warehouse units, situated in Cartersfield Road, Waltham Abbey. The spending included in the adopted Capital Programme, is partly funded by an insurance receipt received in relation to a previous fire at the site
  - **Epping Leisure Facility (£24.931 million)** – the new Epping Leisure Facility is the single largest scheme included in the Programme. The scheme will see the development of a replacement leisure facility for the existing (and aging) leisure facility as well as the construction of a multi-story car park. Cabinet approved the addition of this scheme to the draft Capital Programme at its meeting on 21st January 2021. A full business case – including detailed costings – is being developed for further consideration by Scrutiny and approval by Cabinet before the scheme progresses to development; preliminary costs of £68,970 have been incurred as at 30th September 2021
  - **Disabled Facilities Grants (£4.856 million)** – the Epping Forest District Council allocation for Disabled Facilities Grants in 2021/22 was £971,213 (£297 above February 2021 estimate). There is currently no indication of future allocations. It is therefore that the Council will receive the same amount – without uplift – from 2022/23 onwards
  - **Investment Property Acquisition Fund (£1.118 million)** – it is estimated that the Council will have £1.118 million left of the original £30.0 million allocation for investment in commercial properties, available for roll forward into 2022/23. Spending of £1.035 million has so far been incurred in 2021/22, following the acquisition of some commercial leases on properties situated in Brooker Road, Waltham Abbey.
- **Corporate Services (£7.620 million)** – planned spending covers the Council’s ICT capital investment needs (predominantly the new ICT Strategy) as explained in Paragraphs 2.3 and 2.4 above
- **Housing (Property Services) (£1.500 million)** – the future capital needs of the Commercial and Operational Property portfolios are currently the subject of a detailed review as the Council develops a new Asset Management Plan (AMP). The overall provision in the Capital Programme of £1.5 million therefore represents a ‘placeholder’ in the Council’s funding plans and any spending will require justification and approval by scrutiny and Cabinet
- **Place (£0.250 million)** – there is the second year of the planned capital investment of £0.5 million on Environmental Projects over the two-year period 2021/22 and 2022/23. The is being used for projects identified in the Green Infrastructure Strategy and as a result of the Climate Change consultation. Project plans for two initiatives are well advanced and will be considered by Cabinet shortly; and

- **Qualis (£62.0 million)** – this is the balance on the previously agreed £98.0 million Regeneration Finance Loans (including the recently extended loan facility of £35.0 million approved by Cabinet in July 2021). The first advance of £6.0 million was made in March 2021, with further advances of £30.0 million anticipated in 2021/22 at this stage. The loans are a key enabler in the delivery of the Council’s regeneration priorities in the district through Qualis; the Council will receive a revenue margin on the loan, which is available to support general spending and minimise Council Tax increases.

### 3. Housing Revenue Account Capital Programme 2022/23 to 2026/27 (*Annex 1b*)

3.1 The Housing Revenue Account Capital Programme has been updated as at 30th September 2021. As explained in the Medium-Term Financial Plan presented elsewhere on this evening’s agenda, the process has – for the first time – been informed using the Council’s new HRA Business Plan model (“Fortress”). This has resulted in a significant re-profiling exercise entailing – especially – the re-scheduling of the Housing Development Programme based on latest available intelligence and significantly increasing investment in Capital Works to reflect lifecycle changes in certain building components. The updated Programme totals £170.297 million and is summarised in the table below.

<b>Draft HRA Capital Programme 2022/23 to 2026/27</b>						
<b>Description</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£000’s</b>	<b>£000’s</b>	<b>£000’s</b>	<b>£000’s</b>	<b>£000’s</b>	<b>£000’s</b>
Housing Development Programme	26,053	28,481	11,536	6,674	0	<b>72,744</b>
Capital Works	16,553	23,816	24,140	13,720	13,993	<b>92,222</b>
Other Housing Schemes	2,759	624	637	649	662	<b>5,331</b>
<b>Totals</b>	<b>45,365</b>	<b>52,921</b>	<b>36,313</b>	<b>21,043</b>	<b>14,655</b>	<b>170,297</b>

3.2 The Programme is dominated by the Housing Development Programme and routine Capital Works:

- **Housing Development Programme (£72.744 million)** – the Housing Development Programme includes a combination of (direct) Housebuilding and Acquisitions from Qualis. Thus:
  - *Housebuilding (£52.018 million)* – this is expected to deliver a mixture of affordable rent and shared ownership properties by 2025/26, including New Build Properties (212 affordable rent units) and Qualis Acquisitions (22 shared ownership, and 67 affordable rent units); and
  - *Qualis Acquisitions (£20.726 million)* – the Development Programme also includes the planned acquisition of 89 affordable rent and shared ownership properties across five different sites; St. Johns (46), Conder (11), Hemnall Street (10), Roundhills (7) and Pyrles Lane (15). The sites are currently owned by the Council but are shortly to be sold to Qualis.

- **Capital Works (£92.222 million)** – planned Capital Works (which includes works on Windows, Doors, Roofing, Kitchens, Bathrooms etc.) over the five-year period average out at £18.444 million annually. This contrasts with annual budgets of £9.592 million and £11.970 million in 2020/21 and 2021/22 respectively. The increase reflects a reversal in lifecycle assumptions previously applied to a range of capital items; most notably this applies to Gas Boilers where lifecycles were previously extended from 15 to 20 years, which have now reverted back to 15 years, which triggered a backlog capital investment requirement of £10.716 million. The same position applies to Flat Roofs (backlog cost £7.010 million).

3.3 Members should note that the data in the Fortress model is still being refined, with Housing officers currently working on two very important initiatives:

- Phasing of Capital Works – initial work by Housing officers identified a peak investment need of £35.0 million in 2022/23. The delivery of the associated works exceeds capacity and would trigger an excessive need for the use of sub-contractors (potentially resulting in reduced value for money). This has resulted in the need to smooth delivery over a more realistic three-year period; the initial assumption is that this will happen on a straight line basis, but – at the time of preparing this report – officers are now re-analysing the detail with a view to improving efficiency and value for money through the implementation of a more sophisticated delivery plan; and
- Stock Condition – it has been several years since the Council's Housing Stock was the subjected on an independent (and comprehensive) Stock Condition Survey (SCS). For that reason, an independent has been commissioned and is in progress. Once complete, the outputs from that exercise will allow a more accurate and focussed assessment of the Council's need for capital investment in its stock.

## General Fund Capital Programme 2022/23 to 2026/27

## FIRST DRAFT

Directorate	Service	Scheme	DRAFT MTFP 2022/23 to 2026/27 (@ October 2021)					Total MTFP 22/23 to 26/27
			2022/23 Updated	2023/24 Updated	2024/25 Updated	2025/26 Updated	2026/27 New (Proposed)	
			£'s	£'s	£'s	£'s	£'s	
<b>Community &amp; Wellbeing</b>	Waltham Abbey Hub	Joint Museum and Library Facility	1,440,000	-	-	-	-	1,440,000
		<b>Sub-Totals</b>	<b>1,440,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,440,000</b>
<b>Commercial &amp; Technical</b>	Asset Management	Cartersfield Road	2,413,860	-	-	-	-	2,413,860
		Investment Property Acquisition Fund	1,118,120	-	-	-	-	1,118,120
		Civic Offices Accommodation Project (works)	-	-	-	-	-	-
	Community Safety	CCTV Replacement Programme	140,000	50,000	60,000	130,000	45,000	425,000
		Superfast Broadband (REFCuS)	350,000	-	-	-	-	350,000
	Contract Management	Epping Leisure Facility	12,431,030	12,500,000	-	-	-	24,931,030
		Ongar Leisure Centre	-	-	-	-	-	-
	Fleet Operations	Vehicle Fleet Replacement	383,000	-	-	-	-	383,000
		Highway Ranger Vehicle & Equipment	50,000	-	-	-	-	50,000
		Road Network	-	-	-	-	-	-
	Grounds Maintenance	Vehicle and Plant Replacements	30,000	30,000	30,000	30,000	30,000	150,000
	North Weald Airfield	NWA Preparations Phase 1	50,000	-	-	-	-	50,000
	Regulatory (PH Grants)	Disabled Facilities Grants	971,210	971,210	971,210	971,210	971,210	4,856,050
	<b>Sub-Totals</b>	<b>17,937,220</b>	<b>13,551,210</b>	<b>1,061,210</b>	<b>1,131,210</b>	<b>1,046,210</b>	<b>34,727,060</b>	
<b>Corporate Services</b>	ICT	ICT General Schemes	141,000	93,000	93,000	93,000	93,000	513,000
	ICT	ICT Strategy	2,992,750	1,086,000	971,000	1,126,000	931,000	7,106,750
	ICT	Civic Offices Accommodation Project (ICT)	-	-	-	-	-	-
		<b>Sub-Totals</b>	<b>3,133,750</b>	<b>1,179,000</b>	<b>1,064,000</b>	<b>1,219,000</b>	<b>1,024,000</b>	<b>7,619,750</b>
<b>Housing (Property Services)</b>	Facilities Management	Investment Properties (Planned Works)	250,000	250,000	250,000	250,000	250,000	1,250,000
	Facilities Management	Oakwood Hill Depot extension (trf from HRA)	-	-	-	-	-	-
	Facilities Management	Operational Properties (Planned Works)	50,000	50,000	50,000	50,000	50,000	250,000
		<b>Sub-Totals</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>1,500,000</b>
<b>Place</b>	Climate Change	Environmental Projects	250,000	-	-	-	-	250,000
		<b>Sub-Totals</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250,000</b>
<b>Qualis</b>	Capital Investments	Asset Purchase Loan	-	-	-	-	-	-
		Regeneration Finance Loans	25,000,000	37,000,000	-	-	-	62,000,000
		<b>Sub-Totals</b>	<b>25,000,000</b>	<b>37,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,000,000</b>
<b>Annual Totals</b>			<b>48,060,970</b>	<b>52,030,210</b>	<b>2,425,210</b>	<b>2,650,210</b>	<b>2,370,210</b>	<b>107,536,810</b>

## Housing Revenue Account Capital Programme 2022/23 to 2026/27

## FIRST DRAFT

Schemes	DRAFT MTFP 2022/23 to 2026/27 (@ October 2021)					
	2022/23 Updated	2023/24 Updated	2024/25 Updated	2025/26 Updated	2026/27 New (Proposed)	Total MTFP 22/23 to 26/27
	£'s	£'s	£'s	£'s	£'s	£'s
<b>Housing Development Programme</b>						
Housebuilding	15,591,810	20,539,660	9,513,240	6,373,460	0	52,018,170
Open Market Acquisitions	0	0	0	0	0	0
Qualis Acquisitions	10,461,190	7,941,340	2,022,760	300,540	0	20,725,830
<b>Sub-Totals</b>	<b>26,053,000</b>	<b>28,481,000</b>	<b>11,536,000</b>	<b>6,674,000</b>	<b>0</b>	<b>72,744,000</b>
<b>Capital Works</b>						
Heating	3,193,720	5,281,200	4,649,520	2,499,160	2,549,730	18,173,330
Windows, Door and Roofing	3,100,980	5,127,840	5,379,110	2,891,320	2,948,700	19,447,950
Compliance Planned Maintenance	1,209,570	2,000,160	2,098,170	1,127,780	1,150,160	7,585,840
Kitchens & Bathrooms (inc void al	3,004,320	4,968,000	5,211,440	2,801,190	2,856,780	18,841,730
Electrical	3,121,880	3,559,680	3,824,750	2,055,830	2,096,630	14,658,770
Sprinklers	130,620	216,000	226,580	121,790	124,210	819,200
Environmental	525,100	868,320	910,870	489,600	499,320	3,293,210
Structural works	1,428,000	832,000	849,000	866,000	883,000	4,858,000
Disabled adaptations	459,000	468,000	478,000	487,000	497,000	2,389,000
Asbestos Removal	169,810	280,800	294,560	158,330	161,470	1,064,970
Estate Improvements	210,000	214,000	218,000	222,000	226,000	1,090,000
<b>Sub-Totals</b>	<b>16,553,000</b>	<b>23,816,000</b>	<b>24,140,000</b>	<b>13,720,000</b>	<b>13,993,000</b>	<b>92,222,000</b>
<b>Other Housing Schemes</b>						
Service Enhancements	2,759,000	624,000	637,000	649,000	662,000	5,331,000
<b>Sub-Totals</b>	<b>2,759,000</b>	<b>624,000</b>	<b>637,000</b>	<b>649,000</b>	<b>662,000</b>	<b>5,331,000</b>
<b>Total Expenditure</b>	<b>45,365,000</b>	<b>52,921,000</b>	<b>36,313,000</b>	<b>21,043,000</b>	<b>14,655,000</b>	<b>170,297,000</b>



## SCRUTINY



### **Report to Stronger Council Select Committee**

**Date of meeting: 16th November 2021**

**Subject: Quarter 2 Budget Monitoring Report 2021/22**

**Portfolio Holder: Finance, Qualis Client & Economic Development – Cllr. John Philip**

**Officer contact for further information: Chris Hartgrove 01992 564000 (Ext. 2532)**

**Democratic Services Officer: Adrian Hendry 01992 564246**

---

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

- 1. The General Fund revenue position at the end of Quarter 2 (30th September 2021) for 2021/22, including actions being or proposed to improve the position, where significant variances have been identified, be noted (*Appendix A*).**
- 2. The General Fund capital position at the end of Quarter 2 (30th September 2021) for 2021/22 be noted (*Appendix B*).**
- 3. The Housing Revenue Account revenue position at the end of Quarter 2 (30th September 2021) for 2021/22, including actions proposed to ameliorate the position, where significant variances have been identified, be noted.**
- 4. The Housing Revenue Account capital position at the end of Quarter 2 (30th September 2021) for 2021/22 be noted (*Appendix C*).**

#### **Executive Summary:**

This report sets out the 2021/22 General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th September 2021 (“Quarter 2”).

In terms of General Fund revenue expenditure – at the Quarter 2 stage – a budget under spend of £0.129 million is forecast, with projected net expenditure of £16.682 million against an overall budget provision of £16.811 million.

The financial pressures due to the impact of the Covid-19 pandemic have generally stabilised, with the Leisure Facilities budget especially now back on track (albeit based on lower income expectations) as leisure centre usage recovers more sharply than expected. Similarly, Car Park usage is now back to around 80% of pre-pandemic levels, although the budget is off track.

The temporary delay in asset disposals to Qualis – as part of the Regeneration element of the initiative – is also causing some financial pressure in areas such as Building Costs and (Qualis) Interest Receivable, although the disposal has subsequently taken place on 20th October 2021, so the financial pressure will not get any worse.

Paragraph 2.3 of the report summarises a range of other budget pressures. However, despite the pressure, a projected surplus on Financing and Recharges is expected to help deliver a small budget surplus.

As with 2020/21, the Housing Revenue Account position was less affected by the Covid-19 pandemic. However, a range of other financial pressures – as presented in Paragraph 3.2 – are combining to result in a projected year-end deficit of £1.403 million. The largest spending pressure relates to Housing Repairs (£560,000), which has been a challenge for the Council in recent years. However, the recently established delivery arrangements through Qualis are expected to deliver significant savings in the medium term.

Turning to capital spending:

- General Fund Capital Programme – spending in the first 6 months was £2.655 million, with a forecast outturn of £52.865 million, which – if this materialises – would lead to an underspend of £19.577 million. The drawdown on Qualis loans is lower than the budget and is the most significant variance (£15.0 million); and
- Housing Revenue Account – spending in the first 6 months was £6.712 million, with a forecast outturn of £30.429 million, which – if this materialises – would lead to an underspend of £8.921 million. Slippage on the Housebuilding Programme is the most notable factor.

Finally – previously reported – Members are reminded that the Council's draft Balance Sheet position as at 31st March 2021 is showing that the General Fund unallocated reserve is now getting close to the £4.0 million minimum contingency balance adopted by full Council in February 2021, which is partly a consequence of late accounting adjustments to the 2019/20 Statement of Accounts (reported to Audit and Governance Committee, and approved by full Council in July 2021).

As reported at Quarter 1, officers have been working towards delivering a General Fund surplus by the year end in order to reduce the planned use of reserves to support the 2021/22 Budget from the original assumption of £1.350 million (determined prior to the accounting adjustments mentioned above); positive progress has been made (with a small *deficit* at Quarter 1 turned into a small *surplus* at Quarter 2) but more remains to be done. Any surplus reduces the need to contribute to the reserve as part of the Medium-Term Financial Plan (MTFP).

## 1) Background and Introduction

- 1.1 The Council's budget for 2021/22 (both General Fund and Housing Revenue Account) was approved by full Council on 25th February 2021. This report updates the Stronger Council Select Committee on how the Council's services have performed against their budgets in the first six months of the financial year, and projects forward to the anticipated outturn for the end of the financial year.
- 1.2 This is the second update for 2021/22 and includes the General Fund and Housing Revenue Account positions, for both revenue and capital, as at 30th September 2021 ("Quarter 2").
- 1.3 It should be noted that, as reported to Cabinet in February 2021, late service realignments meant that the General Fund service structure presented within the initial 2021/22 Budget required further refinement. The required changes, which are reflected in the tables below, were relatively slight and have no impact on Net Expenditure or Funding.

## 2) General Fund Revenue Budget

- 2.1 The General Fund revenue position for 2021/22, at the Quarter 2 stage – summarised by service area – is presented in **Appendix A**. The headline is a forecast budget underspend/surplus of £0.129 million, with projected net expenditure of £16.682 million against an overall budget provision of £16.811 million. The table below summarises the position by service.



<b>General Fund Revenue Budget 2021/22 (Quarter 2)</b>			
<b>Description</b>	<b>Budget 2021/22 (Updated)</b>	<b>Forecast Spending (31/03/22)</b>	<b>Variance</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Chief Executive	812	827	15
Commercial & Technical	448	747	299
Community & Wellbeing	1,506	1,110	(396)
Corporate Support	8,865	9,402	537
Customer Services	2,564	2,353	(211)
Finance & Audit	3,138	3,587	449
Housing & Property	1,997	2,206	209
Place	431	328	(103)
Planning & Development	1,822	1,867	45
Strategy, Delivery & Performance	778	781	2
Qualis	(3,365)	(3,037)	328
Financing & Recharges	(2,185)	(3,488)	(1,303)
<b>Totals</b>	<b>16,811</b>	<b>16,682</b>	<b>(129)</b>

2.2 The table below reconciles the base budget approved by full Council on 25th February 2021 to the updated position presented in the table above.

<b>Budget Reconciliation 2021/22: Quarter 2</b>	
<b>Description</b>	<b>Value (£000's)</b>
<b>Net Expenditure (approved by full Council 25/02/21)</b>	<b>16,690</b>
<i>Pre-Pandemic DDF Commitments (approved prior to 2020/21):</i>	
Community Housing Fund	24
Contribution to Police Officers	84
MHCLG Recycling Reward Scheme	13
<b>Total additions to Budget at Q1 stage*</b>	<b>121</b>
<b>Total additions to Budget at Q2 stage*</b>	<b>0</b>
<b>Net Expenditure (updated Budget 2021/22 @ Q2)</b>	<b>16,811</b>

\*Revised DDF commitments of £842,000 for 2021/22, established in 2020/21 in the light of the Covid-19 pandemic, yet to be added.

2.3 The most notable variances (in excess of £0.3 million) to the budget in the table above are as follows:

- Community & Wellbeing (£395,950 forecast Underspend) – the most significant factor in the anticipated underspend in this directorate is higher than expected grant funding for the Homelessness Advice service (£209,613) being received from both Government and Essex County Council. In addition, a significant underspend is also anticipated on Economic Projects Support Services mainly due to underspending on salaries (£153,664), with a vacant Service Manager post being the biggest item
- Corporate Support (£537,367 forecast Overspend) – this directorate is coming under the most significant financial pressure due to a combination of factors. The largest item is ICT (forecast overspend £152,276) where unavoidable agency costs (£109,498), including the need for Service Desk cover, are a pressure. Insurance premiums (£138,318) are also running above budget expectations. In addition, the Business Support function is also expected to overspend by £142,891 due to a range of budget pressures including Document Archiving (£49,990) and Postage (£29,371)
- Finance & Audit (£448,736 forecast Overspend) – the two most notable factors are (corporate) Pension Costs and Staffing. Added Years/Unfunded Payments to Ex-employees of £250,000 are the largest item. In addition, due to continued vacancies (caused by recruitment difficulties), the Finance team has used more Agency staff than anticipated this year (net impact £94,817)
- Qualis Income (£327,817 forecast Overspend) – forecast income from Qualis is now slightly lower than assumed within the budget mainly due to the delayed sale of Land and Buildings to Qualis (£460,817), although this is partially offset by other factors such as the recently agreed extension of the Qualis loan facility. Note also that Interest Payable (on PWLB loans) is also consequently less than expected (see below); and
- Financing & Recharges (£1,303,000 forecast Underspend) – the established HRA Recharges budget is overly prudent; whilst Finance officers are currently reviewing the position in developing the 2022/23 Budget (initial draft due before Cabinet on 6th December 2021), it now appears reasonable to assume an additional £500,000 on this budget line for 2021/22. In addition, an anticipated Government grant in support of the Garden Town initiative of £500,000 was assumed in the budget, although – due to uncertainty at the time – this was offset by a specific contingency of the same amount. Best estimates at the Quarter 2 stage, suggest that the call on the contingency will be limited to £125,000 (which – if realised – would generate a surplus of £375,000). In addition, forecast Interest Payable is less than expected (£428,000) mainly due to extremely competitive interest rates being achieved on short-term borrowing from other local authorities.

2.4 As reported at Quarter 1, the un-ringfenced Covid-19 funding allocation for Epping Forest District Council of £663,322 remains unchanged. However, since then, on 5th October 2021, the Council submitted its Sales, Fees and Charges (SFC) Compensation scheme return for the period April to June 2021; the value of that claim – at £404,000 – was slightly lower than original expectations. This means that the Council has so far secured £1.067 million of the assumed £1.263 million in Government support for Covid-19 in the budget. The current shortfall (£0.196 million) could be met (at least partially) by other miscellaneous sources of Covid-19 related funding.

2.5 In contrast, a relatively sharp recovery in Council Tax collection is being experienced in 2021/22, which is leading to greater than expected 'share back' payments from major preceptors (County, Police, Fire). Consequently, the Quarter 2 estimate suggests that the Council could generate a budget surplus of £332,745 from the Essex Council Tax Sharing Agreement (CTSA).

### 3) Housing Revenue Account (revenue)

3.1 The Housing Revenue Account (HRA) revenue position for 2021/22, at the Quarter 2 stage, is summarised in the table below. As at 30th September 2021, a £1,403,000 deficit is forecast for the year end, compared to a balanced budget position.

Housing Revenue Account Budget 2021/22 (Quarter 2)						
Description	Budget 2021/22	IAS19 Adj	Business Plan Adj	Updated Budget 1st October 2021	Forecast Spending (31/03/22)	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
<b>EXPENDITURE</b>						
Supervision & Management (General)	6,633	(347)	0	6,286	6,676	390
Supervision & Management (Special)	3,953	(180)	0	3,773	3,721	(52)
Rents, Rates Taxes and Insurances	533	0	0	533	484	(49)
Contributions to Repairs Fund	7,723	0	0	7,723	8,580	857
<b>Management &amp; Maintenance</b>	<b>18,842</b>	<b>(527)</b>	<b>0</b>	<b>18,315</b>	<b>19,461</b>	<b>1,146</b>
Capital Charges	8,782*	0	0	8,782	8,782	0
Major Repairs on Leasehold Properties	300	0	0	300	300	0
Treasury Management Expenses	58	0	0	58	58	0
Provision for Bad/Doubtful Debts	91	0	(2)	89	89	0
<b>Total Expenditure</b>	<b>28,073</b>	<b>(527)</b>	<b>(2)</b>	<b>27,544</b>	<b>28,690</b>	<b>1,146</b>
<b>INCOME</b>						
Gross Rent from Dwellings	(33,349)	0	(78)	(33,427)	(33,472)	(45)
Non-Dwellings Rents	(810)	0	0	(810)	(777)	33
Charges for Services & Facilities	(2,092)	0	0	(2,092)	(1,823)	269
Contributions from General Fund	(357)	0	0	(357)	(357)	0
<b>Total Income</b>	<b>(36,608)</b>	<b>0</b>	<b>(78)</b>	<b>(36,686)</b>	<b>(36,429)</b>	<b>257</b>
<b>Net Cost of Services</b>	<b>(8,535)</b>	<b>(527)</b>	<b>(80)</b>	<b>(9,142)</b>	<b>(7,739)</b>	<b>1,403</b>
Interest on Receipts and Balances	(36)	0	6	(30)	(30)	0
Interest Payable on Loans	6,125	0	(387)	5,738	5,738	0
Pensions Interest Payable/Return on Assets	652	(652)	0	0	0	0
<b>Net Operating Income</b>	<b>(1,794)</b>	<b>(1179)</b>	<b>(461)</b>	<b>(3,434)</b>	<b>(2,031)</b>	<b>1,403</b>
<i>Appropriations:</i>						
Direct Revenue Contributions to Capital	2,973	0	(2,190)	783	783	0
IAS19 Adjustment	(1,179)	1,179	0	0	0	0
<b>(Surplus)/Deficit for Year</b>	<b>0</b>	<b>0</b>	<b>(2,651)</b>	<b>(2,651)</b>	<b>(1,248)</b>	<b>1,403</b>

\*adjusted for reversal on Repairs Depreciation (£68,000)

3.2 There are three significant factors behind the forecast deficit as follows:

- **Repairs and Maintenance (Negative £857,000)** – there are two items driving this variance:
  - Housing Repairs (£560,000) – In the first half of the year, there have been a substantial number of repair works (both general and void) that currently sit outside the base contract with Qualis; the projected overspend is currently being investigated by officers. In previous years, the Repairs Fund had been used to smooth the annual cost of repairs, but this was exhausted in 2020/21; and
  - Planned Maintenance (£200,000) – There are numerous items contributing to this variance, including a project to redecorate Frank Bretton House
- **Supervision & Management (General) (Negative £390,000)** – there are three items driving this variance which – although expected to deliver significant benefits for the Council – were not included in the original budget:
  - Stock Condition Survey (£200,000) – To provide comprehensive and up to date information on component replacement requirements and potential costs, a new Stock Condition Survey is in the final stages of procurement
  - “Rent Sense” System (£67,000) – A piece of software that provides information to help drive down rent arrears; and
  - Housing Asset Management System (£76,000) – The revenue costs associated with implementing the new system.
- **Charges for Facilities and Services (Negative £269,000)** – This variance represents lost income from the Telecare service, which is now a free service offered by Essex County Council.

3.3 Members should note that the current HRA Business Plan includes the assumed maintenance of a minimum balance of £2.0 million in the HRA reserve; as at 31st March 2021, the balance was £2.105 million. The budget as at 1st October 2021 recorded an anticipated surplus of £2.651 million; assuming the anticipated deficit on the HRA materialises at year end, a transfer from HRA reserves will be required.

#### 4) General Fund Capital Programme

4.1 The General Fund Capital Programme for 2021/22 as at 30th September 2021 is summarised – at a service level – in the table below. A more detailed analysis – at a scheme level – is included in **Appendix B**. The updated Programme budget totals £72.443 million. Spending in the first 6 months was £2.655 million, with a forecast outturn of £52.865 million, which – if this materialises – would lead to an underspend of £19.577million.

<b>General Fund Capital Programme 2021/22 (Quarter 2)</b>					
<b>Description</b>	<b>Budget 2021/22 (Updated)</b>	<b>Spending (@ 30 Sept 2021)</b>	<b>Remaining Budget (@ 30 Sept 2021)</b>	<b>Forecast Spending (31/03/22)</b>	<b>Variance (Under) / Over</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Community & Wellbeing	770	63	707	100	(670)
Commercial & Technical	6,945	1,905	5,040	4,136	(2,808)
Corporate Services	2,807	459	2,348	1,737	(1,070)
Housing (General Fund)	494	229	265	465	(29)
Place	427	0	427	427	0
Qualis	61,000	0	61,000	46,000	(15,000)
<b>Totals</b>	<b>72,443</b>	<b>2,655</b>	<b>69,788</b>	<b>52,866</b>	<b>(19,577)</b>

- 4.2 A General Fund Capital Programme budget of £15.946 million was approved by Council in February 2021. A net total of £5.169 million in unspent budgets have been rolled forward from 2020/21, initially resulting in an updated Programme budget of £21.115 million. As previously reported, further additions of £35,150,000 were made in Quarter 1, primarily to reflect the Cabinet's commitment (12th July 2021) to extend the Qualis loan facility by a further £35.0 million in support of the acquisition of additional regeneration sites.
- 4.3 In addition, further adjustments of £16.178 million have been made in Quarter 2 to achieve proper accounting practice (rather than representing additional expenditure commitments), primarily to reflect the Asset Purchase Loan (to Qualis) of £16.0 million. The overall updated General Fund Capital Programme for 2021/22 is £72.443 million.
- 4.4 Spending has generally been relatively subdued in the first 6 months, and most of the forecast underspend is due to the drawdown on Qualis loans being below budget expectations (£15.0 million).
- 4.5 The only other variance in excess of £1.0 million relates to Investment Property Acquisitions (£1.118 million). The original budget allocation was £30.0 million and has now been largely spent having been – more recently – applied to buying back a series of historic leases in order to generate higher returns in the long run. It is not anticipated that any further spending will take place this year, so the remaining unspent balance has been re-profiled for use in 2022/23.

## 5) Housing Revenue Account (HRA) Capital Programme

5.1 The Housing Revenue Account (HRA) Capital Programme for 2021/22 as at 30th September 2021 is summarised in the table below. A more detailed analysis – at a scheme level – is included in **Appendix C**. The updated Programme budget totals £39.350 million. Spending in the first 6 months was £6.712 million, with a forecast outturn of £30.429 million, which – if this materialises – would lead to an underspend of £8.921 million.

HRA Capital Programme 2021/22 (Quarter 2)					
Description	Budget 2021/22 (Updated)	Spending (@ 30 Sept 2021)	Remaining Budget (@ 30 Sept 2021)	Forecast Spending (31/03/22)	Variance (Under) / Over
	£000's	£000's	£000's	£000's	£000's
Housing Development	24,506	3,554	20,952	16,450	(8,056)
Capital Works	14,143	3,152	10,991	13,412	(731)
Other Housing Schemes	701	6	695	567	(134)
<b>Totals</b>	<b>39,350</b>	<b>6,712</b>	<b>32,638</b>	<b>30,429</b>	<b>(8,921)</b>

5.2 An HRA Capital Programme budget of £36.506 million was approved by Council in February 2021. A net total of £2.844 million in unspent budgets have been rolled forward from 2020/21, resulting in an updated Programme budget of £39.350 million for the year.

5.3 There are two significant areas of underspending/slippage on the HRA Capital Programme at the Quarter 2 stage; Housing Development and Capital Works. Thus:

- **Housing Development (forecast underspend £8.056 million)** – there are three elements to note:
  - **Housebuilding** – the Programme has a total budget of £17.014 million for 2021/22. The projected outturn on the Programme is £13.318 million, which – if this materialises – would lead to an underspend of £3.697 million at year end. The Phase 5 schemes have not progressed as well as anticipated with some returning to the design review stage and others still to progress to the planning stage
  - **Qualis Acquisitions** – the budget allocation for this scheme in 2021/22 was £7.492 million, however due to Planning issues, the schemes have been re-scheduled to be delivered in 2022/23; and
  - **Open Market Acquisitions** – the focus of this scheme is to increase the Council's housing stock by averting the potential loss of capital receipts from the Government 1-4-1 Right to Buy (RTB) scheme. Although spending was planned for the final quarter of 2020/21, completions have taken place in the first half of 2021/22, thereby creating an overspend of £2.941 million.
- **Capital Works (forecast underspend £0.731 million)** – most works in this area are on target at this stage, however, one Structural Scheme related to the Copperfield Regeneration Project (£0.6 million) has been re-scheduled to be delivered in 2022/23.

**Reason for Decision:**

This report facilitates the scrutiny of the Council's financial position for 2021/22.

In terms of General Fund revenue, it is a stabilising picture following the turbulence experienced in 2020/21 (and during Quarter 1 this year) due to the Covid-19 pandemic. However, there are still some spending pressures and it is essential that the Council avoids overspending due to a relatively limited contingency balance in the General Fund Reserve.

There are some significant spending pressures on the HRA revenue budget, including ongoing issues with Housing Repairs, which has been challenging budget area in recent years.

Capital spending has been relatively limited in both the General Fund and HRA in the first half of the year.

The comments made at this Committee, where relevant, will be reported to Cabinet for their consideration at their meeting on 6th December 2021.

**Options:**

There are no matters for decision in this report. The Committee is asked to note the contents but may choose to take further action depending on the matters reported.

**Resource Implications:**

The resource implications in this report are overwhelmingly financial in nature, in the form of budgetary control. Robust budget monitoring processes maximise the opportunity for services to react quickly to potential problems as they emerge, thus reducing the risk of financial problems, impeding the delivery of strategic priorities.

**Legal and Governance Implications:**

The Council has a statutory obligation to maintain a balanced budget and the monitoring process enables the Committee to remain aware of issues and the process to be taken to maintain a balanced budget.

**Safer, Cleaner, Greener Implications:**

There are no SGS implications.

**Consultation Undertaken:**

The development of the original 2021/22 budget was informed by the democratic scrutiny processes.

**Background Papers:**

Management Accounts 2021/22 (Month 6)

**Risk Management**

The report is primarily presented for information only and has no risk management implications, although regular monitoring and reporting of the type included in this report ensures early warning of significant issues that may place the Council at financial risk. This gives the Cabinet the best opportunity to take actions to mitigate such risks.

## General Fund Revenue Budget 2021/22

## Quarter 2 Forecast

Epping Forest DC: General Fund Rolling Forecast 2021/22							
@ 30 September 2021 (Month 6)							
General Fund							
Service Area	Activity	Full Year Budget £'s	Net Expenditure			Forecast £'s	Variance £'s
			Budget (M6) £'s	Actual £'s	Variance £'s		
<b>Chief Executive</b>	Chief Executive Support Services	685,680	342,840	337,732	(5,108)	671,427	14,253
	Corporate Activities	50,070	25,035	60,106	35,071	78,769	28,699
	Other Activities	75,750	37,875	13,341	(24,534)	76,681	931
	<b>Sub-Total</b>	<b>811,500</b>	<b>405,750</b>	<b>411,179</b>	<b>5,429</b>	<b>826,877</b>	<b>15,377</b>
<b>Commercial &amp; Technical Services</b>	Car Parking	(850,000)	(425,000)	16,665	441,665	(607,681)	242,319
	Community & Partnership	212,390	106,195	(5,757)	(111,952)	93,790	118,600
	Contracts & Technical Support Services	1,999,300	999,650	1,066,470	66,820	2,030,696	31,596
	Cost Centres - Contracts & Technical	3,123,860	1,561,930	1,363,908	(198,022)	2,995,068	128,792
	Emergency Planning & Other	-	-	(532)	(532)	-	532
	Environmental Health	206,360	103,180	64,045	(39,135)	204,622	1,738
	Land Drainage/Sewerage	99,700	49,850	22,840	(27,010)	129,525	29,825
	Land & Property	(7,507,110)	(3,753,555)	(3,233,311)	520,244	(7,338,421)	168,689
	Leisure Facilities	(500,000)	(250,000)	222,165	472,165	(582,987)	82,987
	North Weald Centre	(812,950)	(406,475)	(469,017)	(62,542)	(858,115)	45,165
	Parks & Grounds	474,690	237,345	31,772	(205,573)	518,934	44,244
	Private Sector Housing	(112,860)	(56,430)	(153,360)	(96,930)	(177,548)	64,688
	Regulatory Services	(237,490)	(118,745)	(110,619)	8,126	(236,671)	819
	Waste Management	4,351,639	2,175,820	2,650,235	474,415	4,575,677	224,038
	<b>Sub-Total</b>	<b>447,529</b>	<b>223,765</b>	<b>1,465,504</b>	<b>1,241,740</b>	<b>746,558</b>	<b>299,029</b>
<b>Community &amp; Wellbeing</b>	Community, Health & Wellbeing	131,960	65,980	(29,155)	(95,135)	123,210	8,750
	Cost Centres - Community & Wellbeing	506,870	253,435	193,472	(59,963)	410,951	95,919
	Economic Projects Support Serv	346,030	173,015	95,710	(77,305)	192,861	153,169
	Homelessness	(444,550)	(222,275)	(609,913)	(387,638)	(654,373)	209,823
	Museum, Heritage & Culture	666,360	333,180	387,860	54,680	737,200	70,840
	Voluntary Sector Support	299,510	149,755	102,063	(47,692)	300,381	871
	<b>Sub-Total</b>	<b>1,506,180</b>	<b>753,090</b>	<b>140,036</b>	<b>(613,054)</b>	<b>1,110,230</b>	<b>(395,950)</b>
<b>Corporate Services</b>	Business Support	1,329,888	664,944	743,877	78,933	1,472,779	142,891
	Cost Centres - Corporate Support	295,190	147,595	219,437	71,842	366,716	71,526
	Elections	248,610	124,305	4,678	(119,627)	152,403	96,207
	Emergency Planning & Other	114,780	57,390	56,506	(884)	114,150	630
	ICT	3,568,440	1,784,220	2,246,469	462,249	3,720,716	152,276
	Insurance Premiums	826,330	413,165	925,266	512,101	973,148	146,818
	Member Activities	383,860	191,930	91,866	(100,064)	382,810	1,050
	Other Support Services	1,812,057	906,029	1,030,277	124,248	1,917,803	105,746
	Strategy Support Services	285,570	142,785	187,290	44,505	301,568	15,998
	<b>Sub-Total</b>	<b>8,864,725</b>	<b>4,432,363</b>	<b>5,505,666</b>	<b>1,073,303</b>	<b>9,402,092</b>	<b>537,367</b>
<b>Customer Services</b>	Cost Centres - Customer Services	2,542,760	1,271,380	1,151,212	(120,168)	2,364,097	178,663
	Customer Support Services	1,522,663	761,332	776,256	14,924	1,604,396	81,733
	Housing Benefits	(1,122,200)	(561,100)	(2,469,765)	(1,908,665)	(1,030,214)	91,986
	Local Taxation	(415,950)	(207,975)	(6,834,615)	(6,626,640)	(612,760)	196,810
	Members Activities	36,950	18,475	8,897	(9,578)	27,945	9,005
	<b>Sub-Total</b>	<b>2,564,223</b>	<b>1,282,112</b>	<b>(7,368,016)</b>	<b>(8,650,127)</b>	<b>2,353,463</b>	<b>(210,760)</b>
<b>Finance &amp; Audit</b>	Audit Support Services	373,360	186,680	191,151	4,471	368,979	4,381
	Finance Support Services	1,180,000	590,000	776,564	186,564	1,392,937	212,937
	Finance & Other Activities	1,584,770	792,385	276,298	(516,087)	1,824,949	240,179
	<b>Sub-Total</b>	<b>3,138,130</b>	<b>1,569,065</b>	<b>1,244,014</b>	<b>(325,051)</b>	<b>3,586,866</b>	<b>448,736</b>
<b>Housing &amp; Property</b>	Accommodation	485,330	242,665	544,183	301,518	692,467	207,137
	Cost Centres - Housing & Property	500,432	250,216	257,320	7,104	500,390	42
	Facilities & Depot Management	633,130	316,565	266,721	(49,844)	656,763	23,633
	Housing & Property Support Services	354,810	177,405	161,650	(15,755)	332,689	22,121
	Housing Policy	23,330	11,665	-	(11,665)	23,330	-
	<b>Sub-Total</b>	<b>1,997,032</b>	<b>998,516</b>	<b>1,229,874</b>	<b>231,358</b>	<b>2,205,640</b>	<b>208,608</b>
<b>Place</b>	Community & Partnership	49,760	24,880	(26,523)	(51,403)	(21,169)	70,929
	Cost Centres - Place	381,610	190,805	177,047	(13,758)	349,550	32,060
	Economic Resilience Fund	-	-	44,926	44,926	0	0
	<b>Sub-Total</b>	<b>431,370</b>	<b>215,685</b>	<b>195,450</b>	<b>(20,235)</b>	<b>328,381</b>	<b>(102,989)</b>
<b>Planning &amp; Development</b>	Cost Centres - Planning Services	2,150,920	1,075,460	1,063,486	(11,974)	2,188,249	37,329
	Local Plan Implementation	880,030	440,015	33,169	(406,846)	632,325	247,705
	Planning & Development	(990,960)	(495,480)	(309,778)	185,702	(716,975)	273,985
	Planning Support Services	276,390	138,195	133,130	(5,065)	258,093	18,297
	Regulatory Services	(494,460)	(247,230)	(301,052)	(53,822)	(494,818)	358
	<b>Sub-Total</b>	<b>1,821,920</b>	<b>910,960</b>	<b>618,956</b>	<b>(292,004)</b>	<b>1,866,874</b>	<b>44,954</b>
<b>Strategy, Delivery &amp; Performance</b>	Other Activities	161,600	80,800	(6,322)	(87,122)	153,278	8,322
	Strategy, Delivery & Performance Support Services	616,880	308,440	242,494	(65,946)	627,405	10,525
	<b>Sub-Total</b>	<b>778,480</b>	<b>389,240</b>	<b>236,172</b>	<b>(153,068)</b>	<b>780,682</b>	<b>2,202</b>
<b>General Fund Total</b>		<b>22,361,089</b>	<b>11,180,545</b>	<b>3,678,835</b>	<b>(7,501,709)</b>	<b>23,207,663</b>	<b>846,574</b>
	<b>Qualis Income</b>	(3,365,200)	-	-	-	(3,037,383)	327,817
	<b>Financing</b>						
	<i>Interest (inc. Qualis):</i>						
	Interest Receivable	(25,000)	-	-	-	(25,000)	-
	Interest Payable	1,328,000	-	-	-	900,000	(428,000)
	Specific Contingency	500,000	-	-	-	125,000	(375,000)
	<b>HRA Recharges</b>	(3,988,320)	-	-	-	(4,488,320)	(500,000)
<b>General Fund (Net Expenditure)</b>		<b>16,810,569</b>	<b>11,180,545</b>	<b>3,678,835</b>	<b>(7,501,709)</b>	<b>16,681,960</b>	<b>(128,609)</b>



## General Fund Capital Programme 2021/22

## Quarter 2 Forecast

General Fund Capital Programme Q2 Forecast											
Scheme	20/21 Budget Outturn (xtract)			2021/22 Budget Progress (@ 30 September 2021 - Q2)							
	20/21 Unspent / (Overspent) Balances	Savings	Balances Rolled Forward into 2021/22	2021/22 Budget Allocation	2021/22 Budget @ Q1	Q2 Changes	2021/22 Budget @ Q2 (Updated)	Spending to Date	Remaining Budget	Forecast Outturn 2021/22	Forecast (Uspend)/ Opend 2021/22
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Community &amp; Wellbeing</b>											
Joint Museum and Library Facility	300,000	-	300,000	470,000	770,000	-	770,000	63,008	706,992	100,000	- 670,000
<b>Sub-Totals</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>	<b>470,000</b>	<b>770,000</b>	<b>-</b>	<b>770,000</b>	<b>63,008</b>	<b>706,992</b>	<b>100,000</b>	<b>- 670,000</b>
<b>Commercial &amp; Technical</b>											
Cartersfield Road	(71,136)	-	71,136	1,330,000	1,258,864	177,600	1,436,464	-	1,436,464	500,000	- 936,464
Investment Property Acquisition Fund	2,152,387	-	2,152,387	-	2,152,387	-	2,152,387	1,034,265	1,118,122	1,034,270	- 1,118,117
Investment Properties (Landmark Buildings)	51,791	- 51,791	-	-	-	-	-	-	-	-	-
EFDC Shopping Park	21,677	- 21,677	-	-	-	-	-	-	-	-	-
CCTV Replacement Programme	146,670	- 50,854	95,816	85,000	180,816	-	180,816	99,188	81,628	126,570	- 54,246
Superfast Broadband (REFCUS)	350,000	-	350,000	-	350,000	-	350,000	-	350,000	-	- 350,000
CarPark CCTV Systems	38,423	- 30,423	8,000	8,000	8,000	-	8,000	-	8,000	-	- 8,000
Disabled Facilities Grants	-	-	-	971,510	971,510	-	971,510	284,059	687,451	971,210	- 300
Leisure Centres	10,770	- 10,770	-	-	-	-	-	-	-	-	-
Car Park Schemes	(46,361)	- 46,361	-	-	-	-	-	-	-	-	-
Civic Offices Accommodation Project	173,115	-	173,115	150,000	323,115	-	323,115	311,472	11,643	345,820	- 22,705
Highway Ranger Vehicle & Equipment	-	-	-	-	-	-	-	-	-	-	-
Grounds Maintenance	19,400	-	19,400	30,000	49,400	-	49,400	-	49,400	49,400	-
Highways	140,000	-	140,000	-	140,000	-	140,000	-	140,000	140,000	-
NWA Preparations Phase 1	-	-	-	200,000	200,000	-	200,000	-	200,000	150,000	- 50,000
Vehicle Fleet Replacement	750,000	-	750,000	383,000	1,133,000	-	1,133,000	72,912	1,060,088	750,000	- 383,000
Epping Leisure Facility	-	-	-	-	-	-	-	68,970	68,970	68,970	- 68,970
Ongar Leisure Centre	-	-	-	-	-	-	-	34,087	34,087	-	-
<b>Sub-Totals</b>	<b>3,736,736</b>	<b>- 119,154</b>	<b>3,617,582</b>	<b>3,149,510</b>	<b>6,767,092</b>	<b>177,600</b>	<b>6,944,692</b>	<b>1,904,953</b>	<b>5,039,739</b>	<b>4,136,240</b>	<b>- 2,808,452</b>
<b>Corporate Services</b>											
ICT General Schemes	89,021	-	89,021	128,000	217,021	-	217,021	21,657	195,364	95,000	- 122,021
ICT Strategy	120,464	- 35,060	155,524	1,970,500	2,126,024	-	2,126,024	180,033	1,945,991	1,178,200	- 947,824
Civic Offices Accommodation Project (ICT)	448,756	-	448,756	15,000	463,756	-	463,756	257,106	206,650	463,756	-
<b>Sub-Totals</b>	<b>658,241</b>	<b>35,060</b>	<b>693,301</b>	<b>2,113,500</b>	<b>2,806,801</b>	<b>-</b>	<b>2,806,801</b>	<b>458,796</b>	<b>2,348,005</b>	<b>1,736,956</b>	<b>- 1,069,845</b>
<b>Housing (Property Services)</b>											
Oakwood Hill Depot extension	39,171	-	39,171	-	39,171	-	39,171	1,539	37,632	39,171	-
Town Mead Depot	799	- 799	-	-	-	-	-	-	-	-	-
Investment Properties (Planned Works)	266,400	- 10,484	255,916	65,100	321,016	-	321,016	205,950	115,066	321,016	-
Operational Properties (Planned Works)	85,928	-	85,928	48,000	133,928	-	133,928	21,153	112,775	105,150	- 28,778
<b>Sub-Totals</b>	<b>392,298</b>	<b>- 11,283</b>	<b>381,015</b>	<b>113,100</b>	<b>494,115</b>	<b>-</b>	<b>494,115</b>	<b>228,642</b>	<b>265,473</b>	<b>465,337</b>	<b>- 28,778</b>
<b>Place</b>											
Climate & Environmental Projects	400,000	- 223,016	176,984	250,000	426,984	-	426,984	-	426,984	426,984	-
<b>Sub-Totals</b>	<b>400,000</b>	<b>- 223,016</b>	<b>176,984</b>	<b>250,000</b>	<b>426,984</b>	<b>-</b>	<b>426,984</b>	<b>-</b>	<b>426,984</b>	<b>426,984</b>	<b>-</b>
<b>Qualis</b>											
Asset Purchase Loan	-	-	-	-	-	16,000,000	16,000,000	-	16,000,000	16,000,000	-
Regeneration Finance Loans	-	-	-	45,000,000	45,000,000	-	45,000,000	-	45,000,000	30,000,000	- 15,000,000
<b>Sub-Totals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,000,000</b>	<b>45,000,000</b>	<b>16,000,000</b>	<b>61,000,000</b>	<b>-</b>	<b>61,000,000</b>	<b>46,000,000</b>	<b>- 15,000,000</b>
<b>Total</b>	<b>5,487,275</b>	<b>- 318,393</b>	<b>5,168,882</b>	<b>51,096,110</b>	<b>56,264,992</b>	<b>16,177,600</b>	<b>72,442,592</b>	<b>2,655,399</b>	<b>69,787,193</b>	<b>52,865,517</b>	<b>- 19,577,075</b>

## Housing Revenue Account Capital Programme 2021/22

## Quarter 2 Forecast

HRA Capital Programme Q2 Forecast 2021/22											
Schemes	2020/21 Budget Outturn (xtract)			2021/22 Budget Progress (@30 September 2021 - Q2)							
	2020/21 Unspent/ (Overspent) Balances	Savings	Balances Rolled Forward into 2021/22	Balances Rolled Forward from 2020/21	Virements between Schemes 2021/22	2021/22 Budget Allocation	2021/22 Budget (Updated)	Actuals to Q2	Remaining Budget	Forecast Outturn 2021/22	Forecast (Uspend) / Opend 2021/22
	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s
<b>Housing Development Programme:</b>											
Housebuilding	4,540,000	- 4,540,000	-	-	-	17,014,000	17,014,000	1,138,761	15,875,239	13,317,500	- 3,696,500
Open Market Acquisitions	-	-	-	-	-	-	-	2,415,000	- 2,415,000	2,941,490	2,941,490
Qualis Acquisitions	-	-	-	-	-	7,492,000	7,492,000	-	7,492,000	191,140	- 7,300,860
<b>Sub-Totals</b>	<b>4,540,000</b>	<b>- 4,540,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,506,000</b>	<b>24,506,000</b>	<b>3,553,761</b>	<b>20,952,239</b>	<b>16,450,130</b>	<b>- 8,055,870</b>
<b>Capital Works:</b>											
Heating	314,000	-	314,000	314,000	-	1,519,000	1,833,000	392,000	1,441,000	1,833,000	-
Windows, Door and Roofing	1,249,000	-	1,249,000	1,249,000	- 643,000.00	3,003,000	3,609,000	1,278,000	2,331,000	3,320,000	- 289,000
Compliance Planned Maintenance	96,000	-	96,000	96,000	150,000.00	623,000	869,000	90,000	779,000	549,000	- 320,000
Kitchens & Bathrooms (inc void allocation)	125,000	-	125,000	125,000	-	1,375,000	1,500,000	424,000	1,076,000	1,400,000	- 100,000
Electrical	129,000	-	129,000	129,000	-	2,175,000	2,046,000	495,000	1,551,000	2,046,000	-
Sprinklers	175,000	-	175,000	175,000	-	100,000	275,000	5,000	270,000	275,000	-
Environmental	106,000	-	106,000	106,000	-	584,000	690,000	27,000	663,000	689,000	- 1,000
Structural works	223,000	-	223,000	223,000	493,000.00	1,550,000	2,266,000	89,000	2,177,000	2,266,000	-
Disabled adaptations	56,000	-	56,000	56,000	56,000.00	650,000	650,000	339,000	311,000	650,000	-
Asbestos Removal	63,000	-	63,000	63,000	- 56,000.00	251,000	258,000	12,000	246,000	237,000	- 21,000
Estate Improvements	57,000	- 50,000	7,000	7,000	-	140,000	147,000	1,000	146,000	147,000	-
<b>Sub-Totals</b>	<b>2,223,000</b>	<b>- 50,000</b>	<b>2,173,000</b>	<b>2,173,000</b>	<b>-</b>	<b>11,970,000</b>	<b>14,143,000</b>	<b>3,152,000</b>	<b>10,991,000</b>	<b>13,412,000</b>	<b>- 731,000</b>
<b>Other Housing Schemes:</b>											
Service Enhancements	691,000	- 20,000	671,000	671,000	-	30,000	701,000	6,000	695,000	567,000	- 134,000
<b>Sub-Totals</b>	<b>691,000</b>	<b>- 20,000</b>	<b>671,000</b>	<b>671,000</b>	<b>-</b>	<b>30,000</b>	<b>701,000</b>	<b>6,000</b>	<b>695,000</b>	<b>567,000</b>	<b>- 134,000</b>
<b>Vehicle Replacements</b>											
	74,000	- 74,000	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>7,528,000</b>	<b>- 4,684,000</b>	<b>2,844,000</b>	<b>2,844,000</b>	<b>-</b>	<b>36,506,000</b>	<b>39,350,000</b>	<b>6,711,761</b>	<b>32,638,239</b>	<b>30,429,130</b>	<b>- 8,920,870</b>



## SCRUTINY



### **Report to Stronger Council Select Committee**

**Date of meeting: 16<sup>th</sup> November 2021**

**Portfolio:** Leader (Councillor C Whitbread)

**Subject: Accommodation Project**

**Officer contact for further information:**

Maryvonne Hassall (mhassall@eppingforestdc.gov.uk/ 01992 642311)

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

---

**Recommendations/Decisions Required:**

**That the committee reviews the report and notes the formal closure of the 'Accommodation Project'**

**Report:**

**Reason for decision:** To enable Select committee to review the handover and closure report for the 'Accommodation Project' which was accepted for closure at Cabinet on the 13<sup>th</sup> September 2021.

**Options considered and rejected:** Not applicable.

**Resource implications:** Relevant resource implications as part of the delivery of the project and will be addressed accordingly by the service Director/and or project leads.

**Legal and Governance Implications:** There are no legal or governance implications arising from the recommendations of this report. However, any implications arising from actions to achieve specific objectives or benefits will be identified by the responsible Service Director and/or project leads.

**Safer, Cleaner, Greener Implications:** There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the Safer, Cleaner and Greener initiative, or any crime and disorder issues with the district. Relevant implications arising from actions to achieve specific objectives or benefits will be identified by the responsible Service Director and/or project leads.

**Consultation Undertaken:**

Leadership Team  
Service Directors

**Background Papers:** N/A

**Impact Assessments:** Impact of status has been assessed and relevant mitigation or response is in place for projects.

**Risk Management:** Any major risks from programme will be reported via the Corporate Risk Management group which is reported at Audit and Governance Committee.

**Equality:** Relevant equality implications arising from actions to achieve specific objects or benefits will be identified by the responsible service director and/or project leads.

## Accommodation Project Project Closure Report

### Authors

This document has been developed by:

Project Role	Name
Sponsor	Georgina Blakemore
Project Lead / Manager	Charlotte Graham

### Revision History

Date of this revision:

Revision Date	Previous Revision Date	Summary of Changes
31/08/21	N/A	Amendment to the visual for handover of services to BAU (Section 6)
02/09/21	31/08/21	Amendments to the exec summary and lessons learnt following feedback from Exec Briefing

### Approvals

This document requires the following approvals

Name	Job Title	Approval Method	Date of Approval	Version
Project Workstream Leads	N/A	Project Board	25/08/21	V3.0 Final
Maryvonne Hassal	Service Director	Exec Briefing	31/08/21	V3.0 Final
Georgina Blakemore	Chief Executive	Exec Briefing	31/08/21	V3.0 Final

### Distribution

This document has been distributed to:

Name	Date of Issue	Version
Stronger Council Steering Group	23/08/2021	V3.0 Final
EFDC Cabinet	13/09/2021	V3.0 Final

## Table of Contents

1. Executive Summary.....	3
2. Project Benefits.....	5
3. Project Performance .....	7
4. Budget Performance .....	14
5. Lessons Learnt.....	15
6. Handover of products and services to BAU .....	16

### Document Purpose

This project report is used during project closure to review how the project performed against the approved Project Approach Document (in this case either the Project Brief or the Business Case)

It also supports the exploration of how well the project has met its objectives and delivered against the expected benefits that were outlined and agreed.

## 1. Executive Summary

The Accommodation Project set out to refurbish the Civic Building and 323 House, with the Conder building demolished and the rear of the Civic Offices site redeveloped for residential use in line with the Local Plan. The release of this land was crucial to the economic development aspirations for the district.

On the 7<sup>th</sup> February 2019 the Capital Programme was approved by Cabinet and for which included the Accommodation Review budget of £425,000 (report reference C-032-208/19)

Full Council approved the Capital Programme for 2018/19 to 2022/23 on the 21st February 2019 unamended.

On the 25th February 2020, full Council approved an additional commitment of £8,554,000, which added to previous Council commitments of £425,000, bringing the total budget to £8,979,000 for the project. This budget included the Capital and Revenue costs for the refurbishment of the Civic Offices, Resourcing, and ICT.

Financial Year	18/19	19/20	20/21	Total
<b>Approved Budget</b>	£25,000.00	£400,000.00	£8,554,000.00	<b>£8,979,000.00</b>

The ICT workstream included a new Visitor Management System, Microsoft Teams enabled meeting rooms, bring your own device (BYOD) conference suite rooms that adapted into larger Conference spaces, technology to enable collaborative working, digital signs and a resource/room booking system.

The project refurbishment covered the following scope of works:

- Removal of several existing walls to create open space areas and the upgrading of mechanical and electrical, and plumbing services to fit the new layout
- Installation of new toilet and kitchen facilities
- Renewal of the main atrium rooflight and link building rooflight
- Replacement of new air conditioning units
- Replacement of cabling
- Fire alarm improvements
- Roof coating and installation of solar panels
- Decoration works
- Furniture, Fixtures and Equipment (FFE)

The initial timeline outlined in the tender response for the refurbishment works was a 30-week programme commencing on the 8<sup>th</sup> June 2020 and a completion date of the 18<sup>th</sup> December 2020. However, ISG proposed an alternative timeline due to the pandemic which saw the project commence from July 2020 and complete in April 2021.

EFDC outsourced the design, install, training and support of its AV infrastructure for its meeting room spaces and some building signage and the AV project ran in parallel with the Civic Offices refurbishment. Symity Ltd were awarded the procurement contract as the supplier which commenced on the 28th July 2020.

The Accommodation Project has had clear objectives and an understanding of what the project was required to achieve from the outset and being split into three phases allowed for the focus to be on EFDC staff returning to the Civic followed by partners and tenants. This allowed the project to be implemented within the allocated timeframe and ensured that it was fully scoped from the outset with all factors considered. The project has provided a great opportunity to collaborate with stakeholders to design a service that will deliver excellent customer service alongside an opportunity to re-engineer processes and rescope roles and responsibilities supporting the Councils People Strategy and 'New Ways of Working'

The COVID-19 pandemic highlighted that our working environment is often characterised by uncertainty and complexity. The project was required to adapt to the challenges in order to support the impact of effective project delivery. The pandemic tested our ability to effectively deliver which resulted in us flexing and changing as we went.

The Accommodation Project has had clear benefits defined to support environmental gains throughout the delivery of the project. These were:

- Solar Panels
- Heating/Air Conditioning Plants
- Reduction in Gas usage through more efficient boilers
- Reduction in Electricity usage through a combined heat and power installation
- Cutting water consumption
- Installation of Lighting Control System to increase efficiencies

The project has also been successful in providing regular updates and strong communication was maintained throughout the life of the project. Additionally, through design changes there has been an opportunity to incorporate many requirements that were not originally considered. Staff have also benefited from familiarisation sessions being held and have feedback that it has enabled them to understand how their team will deliver, that the space is flexible and collaborative and that it supports their working needs and also that it will be a positive experience for our residents, particularly through the Community Hub.

Overall and to summarise, the project has delivered on time, in budget and has fully supported achieving the outcomes set:

- A focus on customer service, "placing them at the heart of everything we do".
- Create an improved, modern, affordable and value for money working environment that reflects positively on the image of the Council.
- Enable transformation and cultural change across the Council involving new and agile ways of working across teams.
- Support the economic development aspirations for the district through the Local Plan by releasing the rear of the Civic Offices site as soon as possible and not later than 5 years time.
- Minimise disruption to service delivery and moves during the refurbishment.



## 2. Project Benefits

The project has been successful in identifying a number of expected benefits and for which some have already been realised. However, with the return to the offices delayed through the pandemic it is expected that the majority of these benefits will be monitored, reviewed and reported on over a period of time and realistically achieved by Summer 2023.

Reference	Expected Benefit	Outcome
APBR-01	Sale of land into Qualis Commercial for residential development to the value of £14.6m. These properties will be available for rent and so will provide a long-term revenue income of c£500k per annum to the Council.	The sale of land into Qualis Commercial has been achieved. The details of the final scheme are subject to planning permission and market conditions.
APBR-02	Revenue saving of £200k for the overhead maintenance costs in the reduction of office space by losing the current Conder building	Achieved
APBR-03	Efficiency saving to be achieved through improving the environmental elements of the building for example new solar panels, and heating/air conditioning plants.	In Progress - Summer 2023
APBR-04	Change in ratio of fixed desks down to 6:10 located within the Civic Offices (no longer occupying the Conder building) reduces the cost of space per person from £3, 678 down to £2, 309 representing a saving of £1, 370 per person p.a.	Achieved
APBR-05	The spaces within the newly refurbished building could be converted into areas that could be let to small business or serviced offices if the requirements for EFDC staff reduce over time. This also provides the added benefit of more income into the Council. By way of example the predicted income from a partner occupying 155square metres produces an income of £46k per annum	Achieved – 2 <sup>nd</sup> floor has been made available
APBR-06	The planning permission for the external entrance to create a new entrance for the public provides the opportunity to generate more income through a café facility and further collaborative workspace areas. This provides potential further opportunities for small businesses and help in the economic health of the high street.	In Progress  Work is underway to complete a re-design of the plans for the Café Ramp. This is due to complexities of a listed building, underground utilities and protected trees. An architect and heritage consultant have been

		appointed and work is underway for the design to be finalised and submitted through the planning and listed consent process. It is expected that the approval process for planning will be completed by Feb/March 2022.
APBR-07	Many elements within the current building are at the end of their useful life and therefore the refurbishment will enhance the life expectancy of the building to 40 years. This will have a positive impact on the capital value of the building and revenue savings on depreciation costs of the building.	Achieved  The building was at the end of its serviceable life. Works carried out will increase the life expectancy of the building by a further 40 years.
APBR-08	Organisational cultural benefit of staff working in a collaborative working environment sharing ideas and collectively delivering the corporate objectives of EFDC	In Progress – Training on collaborative tools will continue throughout Q4 2021
APBR-09	Boilers – it is estimated that changing the existing boilers, which run well below 80% efficiency, to new condensing boilers which provide the same heat output but at 98% efficiency will save an estimated £10,015 per annum on our gas usage.	Achieved
APBR-10	Combined Heat and Power Installation – this will be utilised for pre-heating of the heating and domestic hot water system. The by-product of its use is electrical generation, and this is estimated will save £12,400 per annum on our electricity usage.	De-scoped Due to changes in evidence in green credentials this was no longer a requirement.
APBR-11	Photovoltaic Array (Solar Panel) – this will be relocated from the Conder building roof to the Civic roof to continue to provide energy offset to the site.	Achieved
APBR-12	Water – Additional use of dual flush toilets, controlled urinal flushing and reduced flow to sink taps will cut water consumption.	Achieved
APBR-13	Lighting already in place, by installing a far more advanced fully addressable lighting control system it is anticipated a further 10 – 20% efficiency increase, providing dimming, daylight sensing and presence detection	Achieved
APBR-14	Air Conditioning – Far more environmentally friendly refrigerants with lower Global Warming Potential (GWP).	Achieved
APBR-15	Heating Control System – Will provide greater control to provide a uniform spread of heat throughout the building.	Achieved

APBR-16	Hot Water – Relocation of a calorifier will reduce distribution losses and make complying with water quality regulations (Legionella) more manageable as hot water will distribute to local outlets and reach temperature quicker.	Achieved
---------	--	----------

### 3. Project Performance

<b>Target</b>	<b>Performance Summary</b>
Civic Refurbishment	<p>The refurbishment of the Civic Offices commenced on-site in July 2020 when construction contractor mobilisation and full strip-out of existing internals started.</p> <p>ISG (construction contractor) maintained a very efficient COVID-19 safe site with dedicated team members to ensure that ALL sub-contractors on-site were protected and high standards maintained to minimise cases of COVID-19 isolation.</p> <p>The construction work progressed at a steady and manageable pace throughout the duration of the contracted works, with a comprehensive and regularly updated Programme of Works provided by ISG – maintaining communication with the client team, informing of progress both informally and formally.</p> <p>Progressing through the Programme of Works, a number of challenges presented themselves which were amplified in their nature due to the Listed status of the building. ISG, Bisset Adams (Architectural Consultant), BWB (MEP Consultant) and EFDC’s Conservation, Heritage and Planning colleagues worked through these challenges professionally and efficiently to ensure that the completed refurbishment met the requirements of EFDC.</p> <p>The site requirements, which were in the main unknown at the start of a construction-type project, resulted in a revision of the outline Programme of Works to factor in timeframes required for the regulated Planning and Listed Building Consent applications process.</p> <p>The project was completed on-plan in April 2021 and the building formally handed over to EFDC. The completed building was signed-off by the Building Control Authority and all Practical Completion documentation was filed by Gardiner and Theobald (appointed Employers Agent / Contract Manager) and transferred to EFDC Facilities Management.</p> <p>The Final Statement of Account was finalised and signed off by EFDC in July 2021, setting out the total cost for the works completed. This was within the</p>

	<p>budget set at the inception of the project and also incorporates a standard 'Retention Value', which will be retained by the EFDC until it is due for payment in April 2022, to cover a 12 month defects period.</p> <p>ISG – the construction contractor has proven to be very efficient, completing the works within a relatively short timescale for a Listed Building and under the government restrictions due to COVID-19. ISG has acted professionally at all stages of the project and have always worked proactively to solve any arising problems to the satisfaction of the client team. To further support this view, the profile of ISG has been significantly raised over the course of the last 12 months, with a large number of high-profile projects commenced across London and the surrounding areas.</p> <p>Bisset Adams – the architectural consultants were involved in this project for a number of years, from concept design phase through to completion. Bisset Adams, as part of the client team, has been very proactive in their approach to resolving the challenges that the project has thrown up. Bisset Adams has been extremely flexible in their approach and have attended site at short notice to aid on-site discussions across all parties.</p> <p>BWB – the MEP (Mechanical, Electrical and Plumbing) consultants were also involved from an early stage of the development of the project and have worked in tandem with Bisset Adams to resolve design challenges effectively and efficiently throughout. BWB has also been a very present member of the client team and have been invaluable in all elements of MEP within the confines of a Listed-status Building.</p>
<p>Furniture Fixtures and Equipment</p>	<p>Darnton DB3 was engaged to complete space planning and design work for the FFE elements of the Civic Offices to ensure that the requirements previously captured were met as part of the FFE fit out.</p> <p>Darnton DB3 presented concepts and designs, in conjunction with furniture providers already secured by EFDC (Gresham Office Furniture and Senator), for approval by EFDC senior leadership team. All furniture types, floor and wall finishes, colours and fabric types were approved in advance of ordering.</p> <p>The furniture delivery and install commenced in February 2021, with a carefully prioritised install to enable other workstreams (IT Kit installs, AV installs, etc) to commence as appropriate and within their timeframes. Some furniture items encountered delays, these were mainly due to the impact of the COVID-19 pandemic on manufacturing and Brexit – both these created difficult to manage shortages of some of the raw materials used in the manufacture of some furniture (eg Steel shortage impacted somewhat on the manufacture of steel storage items).</p> <p>All items have now been delivered and installed, additional items have been identified by service teams for spaces which have changed use from the original intended use and these have been ordered and delivered as promptly as possible.</p>

<p>ICT</p>	<p><b>AV System</b></p> <p>The new audio and visual capability in the Civic office meeting spaces is designed to support day-to day activities of EFDC staff and partner organisations with a focus on corporate and customer needs. It is adaptable to different requirements.</p> <p>The council has outsourced the design, install, training and support of its AV infrastructure for its meeting room spaces and some building signage. The objective was the development and enhancement of the service to reflect the latest technology, innovation and social developments; promoting increased efficiency and supporting cultural change.</p> <p>The AV project ran in parallel with the Civic Offices refurbishment and consisted of 6 Microsoft Teams enabled meeting rooms, 5 bring your own device (BYOD) conference suite rooms that adapted into larger Conference spaces, technology to enable collaborative working, 5 digital signs and a resource/room booking system.</p> <p>An acceptable response to the procurement required:</p> <ul style="list-style-type: none"> <li>· A proposal on a solution for AV equipment as part of a unified comms solution for the refurbished offices with relevant high-level costs. Where appropriate, recommend options for each requirement for the Council to consider</li> <li>· A detailed specification of equipment, software or other services in your proposal</li> <li>· A bronze/silver/gold package option proposal would be preferred</li> <li>· A proposal for an ongoing support package post installation</li> </ul> <p>Symity Ltd were the only company to provide a response that covered all of the tender criteria. This limited EFDC options. Symity's bid totalled first year charge of £413,443 and ongoing support @ £22,625. It was a detailed tender and scored high at evaluation.</p> <p>Symity was awarded the contract which started 28 July 2020 for 2 years. Little documentation exists of EFDC detailed design requirements and what was actually agreed with Symity to deliver. Changes to the initial requirements were made shortly after the contract was signed. The number of meeting rooms reduced and the whole of the 2<sup>nd</sup> floor and council chamber webcasting integration was removed. The introduction of induction loop system was added and as the building design evolved so did the equipment/installation requirements.</p> <p>In late January 2021 Symity started installation of the AV equipment into the Civic building, part of the requirements was to provide onsite project management. Its target date to complete the AV install was 1 March 2021.</p> <p><b>Kit Out of Desks</b></p>
------------	---

	<p>The Civic Office has been given a modern contemporary feel with regards to everyday ICT equipment that our customers can utilise and taking into consideration of tilts and movements of monitors for comfortable positions for all colleagues and providing maximum desk space.</p> <p>EFDC worked with a local supplier to install 110 Kensington docs, LG 34” and a few LG24” monitors together with Samsung Smart TV for multiple purpose use, making the equipment more agile and flexible to our new ways of working. Placing laptop risers on each desk to give the user additional space, whilst for ICT purposes assisting the cooling system in the device.</p> <p><b>Resource Booking System</b> A resource booking system was developed as part of the management of the meeting rooms, desk and car parking. The system that was purchased is a capable system and fits the original specification that was scoped, however lessons learnt have identified that it does not fully manage the resources in the way it now requires. Due to the change in these requirements, this work will be completed as part of the Travel Strategy and Plan as we explore alternative options for car parking.</p> <p><b>Networks</b> The project included some major decant and recant from an ICT perspective. Many pieces of equipment were moved, such as plotters, printers and the DVLA machine, both within the Conder building and then back into the Civic building. Various other ICT moves were also coordinated across EFDC sites. A new network has been implemented in the Civic building, including a new Wifi which allows for better and wider coverage, and inbuilt power saving features. A new GovRoam service has been activated which allows easy access to the internet for all public sector staff and for EFDC staff at other public sector locations. A new back up to cloud solution, and Disaster recovery solution have also been implemented.</p>
Business Support	<p>The requirement to implement a Concierge service at the Civic has been implemented and it can be considered that the project delivered the required service. However, there are ongoing discussions with tenants on the 2<sup>nd</sup> Floor, and Community Partners that will continue to scope the service and consideration to outsource this function will be forthcoming. The benefits will include controlled costs, increased efficiency, resilience with staff flexibility and a focus on core areas. The ongoing management of Concierge services including Audio Visual management and conference suite reconfiguration has been handed over to Business Support and staff have been upskilled through training and a clear process defined and communicated.</p> <p>The successful transfer of Soft FM functions to Business Support from Facilities Management as part of the project has been completed, this includes locker management, catering requirements, issuing of ID/Security</p>

passes, cleaning contract, café procurement, office moves and conference suite reconfiguration. However, due to the increase tasks that have been handed over to Business Support to manage as part of BAU this has required a structure change within this team to accommodate the increase in BAU tasks. This additional cost wasn't in scope of the original project. The ongoing day to day management of these activities has been communicated and staff trained and upskilled accordingly.

The requirement to decommission 15 MFDs from the Conder building has been achieved leaving 16 in use across EFDC assets within the district as per the initial scope. The ongoing maintenance of these products sits with shared responsibility across Business Support and ICT, Business Support staff have been trained and upskilled in the maintenance and ordering of products ensuring value for money and procurement of new contracts.

Within scope of this project was the need to review the storage and archiving of the Council's paper documents. It can be considered that the project delivered a solution to outsource this service once a full review of the Council storage was complete and full inventory captured. The procurement of IronMountain has delivered value for money and social value whilst delivering a professional, risk adverse solution to storage and archiving. This solution will reduce paper files to less than 30% over the next five years and management of the contract will sit with BAU within Business Support Service. The failure was that costs were not budgeted for as part of this project.

In scope of this project was the requirement to procure a café solution for tenants, partners, staff and members of the public to enjoy. This service has not been secured at present until we understand the full requirements from EFDC tenants on the 2<sup>nd</sup> floor of the Civic, partners, staff and members of the public. Consideration has been given for a short-term solution of a pop-up café and once requirements have been gathered, including marketing of the conference suite, this will allow the correct solution to be implemented and secured. The café management and procurement solution sits with BAU within Business Support.

The requirement to install a fully functional conference suite has been achieved and it can be considered that the project delivered the required quality as per the initial scope. However, there remains the marketing aspect of the suite and this has now formed a new project due to its size and value and it is expected that the requirement gathering for this will be completed by October 2021. The day to day responsibilities of this suite has now been handed over to Business Support who have been upskilled through training and a process defined and communicated.

The Print to Post solution for the Council was out of the initial scope of this project, a decision was made to implement the solution alongside the Accommodation Project. However, there was no budget set for this project and was identified at the end of the project which caused concern when

	<p>procuring the solution. The project solution is an 18-month pilot programme to ensure true value for money can be sought once the implementation phase has been completed. The supplier PSL delivered as contracted, however there are improvements that are being made during the implementation phase to ensure maximum efficiency and value across the organisation. The day to day management of this process sits with a Business analyst but will become BAU within Business Support.</p>
<p>Communication and Engagement</p>	<p><b>Communication and Engagement</b></p> <p>The requirement to support the project with internal communications throughout its lifecycle has been achieved. We have delivered over and above the initial scope of the project, mainly due to the changing circumstances COVID-19 presented.</p> <p>Internal communications supported the project with a successful and in-depth communications plan and delivered communications to stakeholders (including employees and members) on a regular basis in support of this project.</p> <p>In addition, we introduced new channels for communication, branding, and new content in modern formats (graphics, animated and regular video, infographics, virtual employee events, newsletters and virtual building walkthrough plans) to support project communications. We held physical familiarisation session events with Managers and Members, providing content and opportunities for feedback for both. Feedback was gained from these sessions and continues to address through various communications channels.</p> <p>Training for our new Content Management System (CMS) for our digital signage (new comms channel) was delayed, this affected our timeline for updating our signs with content and support for the CMS since has been severely lacking. Fortunately, we have recovered from some issues with the CMS which means our digital signs are all now fully functioning.</p> <p>We also acknowledge that our members do not have access to our intranet and therefore do not have a single point of reference for information about the building. We have relied on virtual live events, email, giving access to documents such as the A to Z and the members bulletin for contact. This is being picked up separately and a solution is out of scope for this project.</p> <p>Throughout the project we could see the need for communications on our new ways of working and not just communications based on the accommodation and changes. As the accommodation project draws to a close, this piece of work will be picked up as part of a new and ongoing project dedicated to the future of 'Our Ways of Working – Creating our Tomorrow'</p> <p><b>Change Management</b></p>



	<p>The OWOW – Creating our Tomorrow Project aims to maximise the benefits of the Accommodation Project and ensure that our New Ways of Working are embraced, adopted, and are sustained:</p> <p><b>People</b> – ensuring our people understand what is expected of them at every level, and that they demonstrate these behaviours and new ways of working on a daily basis</p> <p><b>Process</b> – ensuring our new processes are fit for purpose – if not, continually improve them until they are</p> <p><b>Technology</b> – ensuring we get the most of our resources, train people and give them confidence in how best to use them</p> <p><b>Benefits Realisation</b> – ensuring we get the outcomes that we committed to at the start of the project</p>
Public Access/Welcome Lounge	<p>The welcome lounge has been re-opened to the public. During lockdown customers have transitioned to interacting with EFDC by alternative methods and as a result EFDC are a lower footfall rate (on average 30 a week).</p> <p>Customer Service Officers have been upskilled in use of new technology to assist customers, namely the visitor management system, as well as iPads to assist customers with accessing our services online. Two customer terminals are in place for customer use including laptops. All outstanding IT issues are resolved and there will be ongoing support through ICT.</p> <p>EFDC are currently looking into options for the placement of a public utility space such as a library and cafe within an identified space within the Civic Offices.</p>
Community Hub	<p>The launch of the Partnership Community Hub is planned for 13<sup>th</sup> September and the new welcome branding designed in the same colour palette as the furnishings around the building will go to Cabinet for approval in September, once approved this will be in place with a three week lead time.</p>
Visitor Management System	<p>The visitor management system software was successfully designed, tested and installed well ahead of schedule, however due to COVID-19 restrictions two contactless ‘Check in Kiosks’ were sourced and purchased.</p> <p>Due to technical difficulties in getting the software to talk to the Kiosk hardware to print out badges and check in customers; the hardware being sent with an older versions of Windows and with technology that meant the QR codes generated by the software could not be read by the hardware, a great deal of time was spent by ICT in trying to get this to work. A temporary solution has been put in place whereby the Customer can check in using the terminals, or via the Welcome Area staff visitor management report, and then a badge is printed out using the printer behind the welcome desk. The rest of the process works as it should do, in that it notifies the officer who has made the appointment that their customer is in the Welcome lounge, and advised</p>

	<p>the customer to take a seat to wait to be collected. It also sends a customer satisfaction survey at the end of the visit to the customer.</p> <p>It has been agreed that this sub-project will be closed down, subject to some tweaks in how the badge prints out, and that Customer Services will look at a new project to investigate the possibility of procuring a new system which incorporates both software and hardware in one supplier if necessary.</p>
Commercial Letting	<p>The work around the commercial letting is progressing with legals and EFDC are looking to appoint a service charge agent. The tenants have indicated they want to complete early September and fit out plans are being developed.</p> <p>Issues surrounding Civic Offices and insurance have been resolved and draft leases have been issued.</p>
Travel Plan	<p>A travel strategy and plan is being developed. It provides guidance on how employees can use new ways of working and effective flexibility working principles to reduce both their own and EFDC's environmental footprint. The Civic Offices have changed from a place you had to work, to a place you visit to support Customer needs and purpose. This new way of working combined with a focus on sustainable and active modes of travel aims to reduce the number of dedicated car parking spaces required for employees.</p>

## 4. Budget Performance

Type	Description	Committed Budget	Spend to Date	Variance
Capital	18/19 Approved Budget	£25,000.00	£8,463,698.00	£193,302.00
Capital	19/20 Approved Budget	£400,000.00		
Capital	20/21 Approved Budget	£8,217,000.00		
Capital	21/22 Additional ICT Budget Contribution	£15,000.00		
<b>Total</b>		<b>£8,657,000.00</b>	<b>£8,463,698.00</b>	<b>£193,302.00</b>
Revenue	20/21 Approved Budget	£327,000.00	£60,000.00	£267,000.00
<b>Total</b>		<b>£327,000.00</b>	<b>£60,000.00</b>	<b>£267,000.00</b>
<b>Total</b>		<b>£8,984,000.00</b>	<b>£8,523,698.00</b>	<b>£460,302.00</b>

The agreed budget for the project was approved at £8,979m which was split across both capital and revenue. In addition to this was a contribution received from ICT within the capital budget for a further £15,000. **This meant that the project had an overall total committed budget of £8,984m.**

To date there has been an actual spend of **£8,523,698m** across both capital and revenue leaving a current variance of **£460,302m against the committed budget.**

However, due to the project timeframes there are several forecasted high value costs which are yet to be realised but all are inline the committed budget and are being closely monitored and managed. The main contributors to the forecasted spend are ICT costs relating to the AV equipment and the Café Ramp Access which are expected to account for between £200k to £250k of the remaining committed budget and circa £80k for the replacement of the sliding doors at the welcome area and furniture costs.

## 5. Lessons Learnt

A number of lessons learnt have been noted and documented below. These predominately focus of areas of project management and for which the development is a key priority for 2021.

To support the lessons learnt, the PMO is currently reviewing and developing a number of processes, some of which have already been implemented and which will further support all areas of project lifecycle management. This includes stronger upfront governance through the production, review and sign off of project documentation such as project briefs and business cases. Resource mapping, milestone planning from design through to delivery, benefits mapping and financial control is also under development across all portfolios. This will allow the right level of scrutiny for all projects and allow EFDC to capture requirements at the very start, prioritise appropriately, manage budgets effectively, agree and document decisions and engage with the right people at the right time which will support with relationship management (both internal and external)

The PMO is also reviewing and developing processes around continued oversight and accountability against project delivery and a number of information channels are also being explored such as a dedicated TEAMS site and Intranet page to allow for key documentation to be stored and shared amongst all. The PMO is committed to being a 'centre of excellence' and is using the lessons learnt through this project to shape how we best manage projects in the future. The processes that are being developed will increase visibility and ownership for all projects and stakeholders.

Reference	Description
APLL01	Earlier incorporation of an estate-wide asset strategy into the design process of the Civic Offices.
APLL02	Would of benefitted from a more holistic integration of common processes e.g. print to post, PPE management, shared equipment issue (e.g. portable projectors), marketing & comms materials and equipment.
APLL03	For the decant and recant to be managed as a dedicated stand-alone project to capture requirements and manage the significant preparation stages.
APLL04	Decisions for 2 <sup>nd</sup> Floor at an earlier stage in the design and procurement process would of provided the potential for further time and cost savings.
APLL05	Co-location of Partner discussions at an earlier stage within the design process – reducing subsequent requirements for amendment would of strengthened relationship management.
APLL06	Enhanced discussion and decision documentation at an earlier stage would have aided project development and allowed for appropriate accountability and visibility on what was and wasn't agreed.
APLL07	Stronger Customer Journey mapping during the design stage would of reduced the need to retrofit requirements later.

APLL08	Project budget focused on building delivery. Associated individual service area transition costs consistently scoped and incorporated into wider accommodation project budgets at an earlier stage would assist with delivery costs such as new systems and hardware.
APLL09	The benefits of Effective Flexibility and outcomes enhanced through earlier agreement during accommodation project concept stage being agreed would have allowed for further benefits realisation work to be completed.
APLL10	Enhanced supplier relationships through stronger project management would of reduced project deliverable re-scoping, stronger performance management and issue resolution.
APLL11	Having a greater focus on employee requirements (ER) in relation to the listed building consent and heritage conditions would of picked up more structural issues that needed to be incorporated into the design at the pre-tender stage.
APLL12	Clearer definition of detailed requirements (when amendments are easier to achieve) earlier in the design process would of reduced subsequent work to incorporate at a later stage.
APLL13	Enhanced project teamwork through greater clarity of individual roles and responsibilities such as governance and best practice would of improved all areas of project delivery.
APLL14	A reduction in reactive tasks leading to time and cost savings through enhanced budget involvement by the Project Manager would of allowed for better capacity planning.
APLL15	Risk and Issue management improvements through stronger documentation, education and workshops.
APLL16	Reductions in staff turnover and enhanced handovers to ensure project consistency during personnel changes.
APLL17	Project benefits captured during feasibility as well as concept and design to provide earlier oversight and project support.

## 6. Handover of products and services to BAU



Through the delivery of the Accommodation Project, several opportunities have been identified that will continue to support the sustainability of the project and build upon the foundations for improvement that the accommodation project has set. These are smaller initiatives or projects that will be managed through individual Service Areas as we move through the cultural shift of returning to work in the Civic Offices.

Above is a visual representation of the opportunities that have been agreed. Should other initiatives or projects not listed above be identified and scoped, these will be managed through the project management/PMO function and in-line with our governance framework.

Therefore, we formally close this project and present this to Cabinet on 13<sup>th</sup> September 2021 for approval.

This page is intentionally left blank