

Select Committee Agenda



Resources Select Committee Tuesday, 6th December, 2016

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

Committee Room 1, Civic Offices, High Street, Epping
on **Tuesday, 6th December, 2016**
at **7.30 pm** .

Glen Chipp
Chief Executive

**Democratic Services
Officer**

A Hendry, Directorate of Governance
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Members:

Councillors S Kane (Chairman), A Patel (Vice-Chairman), N Bedford, A Boyce, D Dorrell, R Gadsby, R Jennings, P Keska, A Mitchell, C Roberts, D Roberts, H Whitbread and J M Whitehouse

SUBSTITUTE NOMINATION DEADLINE:

6.30pm

1. APOLOGIES FOR ABSENCE

2. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

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

3. NOTES OF PREVIOUS MEETING (Pages 5 - 14)

(1) Minutes

To agree the notes of the meeting of the Select Committee held on 10 October 2016.

(2) Matters Arising

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

4. DECLARATIONS OF INTEREST

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

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

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

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

5. TERMS OF REFERENCE AND WORK PROGRAMME (Pages 15 - 20)

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

6. KEY PERFORMANCE INDICATORS 2016/17 QUARTERLY REVIEW (Pages 21 - 40)

(Director of Governance) to consider the attached report.

7. CORPORATE PLAN KEY ACTION PLAN 2016/17 - QUARTERLY PROGRESS (Pages 41 - 48)

(Director of Governance) to consider the attached report.

8. SICKNESS ABSENCE 2016/17 (Pages 49 - 56)

(Director of Resources) to consider the attached report.

9. INVEST TO SAVE UPDATE (Pages 57 - 60)

(Director of Resources) to consider the attached report.

10. DRAFT GENERAL FUND CSB, DDF AND ITS LISTS AND SAVINGS UPDATE (Pages 61 - 72)

(Director of Resources) to consider the attached report.

11. QUARTERLY FINANCIAL MONITORING (Pages 73 - 96)

(Director of Resources) to consider the attached report.

12. REVIEW AND USAGE OF SECTION 106 MONIES (Pages 97 - 100)

(Director of Resources) To consider the attached report.

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

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

14. FUTURE MEETINGS

To note the scheduled future meetings. They are:

07th February 2017; and
28th March.

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**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON MONDAY, 10 OCTOBER 2016
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.30 - 9.34 PM**

Members Present: A Patel (Vice-Chairman, in the Chair), N Bedford, D Dorrell, R Gadsby, R Jennings, J Lea (Chairman of the Council), A Mitchell, C Roberts, D Roberts, G Shiell and J M Whitehouse

Other members present: A Lion and G Mohindra

Apologies for Absence: S Kane, A Boyce, P Keska and H Whitbread

Officers Present P Maddock (Assistant Director (Accountancy)), A Hall (Director of Communities), D Newton (Assistant Director (ICT and Facilities Management)) and A Hendry (Senior Democratic Services Officer)

13. CHAIRMAN OF MEETING

In the absence of the Chairman, the Vice-Chairman, Councillor Patel, chaired the meeting.

14. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was noted that that Councillor J Lea was substituting for Councillor A Boyce and Councillor G Shiell was substituting for Councillor P Keska.

15. NOTES OF PREVIOUS MEETING

Minutes

The notes of the meeting held on 12 July 2016 was agreed as a correct record.

Matters Arising

There were no matters arising from the last meeting.

16. DECLARATIONS OF INTEREST

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

17. CHANGE IN AGENDA ITEM

With the agreement of the meeting, the Chairman considered agenda item 10a, Terms of Reference and Work Programme, next.

18. TERMS OF REFERENCE AND WORK PROGRAMME

1. The Terms of Reference and Work Programme were noted. Mr Maddock informed the meeting that Item 16 of the work programme would be considered in February 2017.

2. It was noted that forward programme of meetings indicated that the final meeting of this committee would be held in April 2017, yet the agenda point on future meetings indicated that it would be held in March. Upon researching this point the Senior Democratic Services Officer established that it would in fact be held in March 2017.

19. CORPORATE PLAN - KEY ACTION PLAN 2016/17 - QUARTER 1 PROGRESS

The Assistant Director Accountancy, Mr Maddock introduced the report on the Quarter 1 progress of the Corporate Plan Key Action Plan 2016/17. The Corporate Plan was the Council's key strategic planning document, setting out its priorities over the five-year period from 2015/16 to 2019/20. The priorities or Corporate Aims were supported by Key Objectives, which provided a clear statement of the Council's overall intentions for these five years.

The Corporate Plan Key Action Plan for 2016/17 was agreed by the Cabinet in March 2016. Progress in relation to all actions and deliverables are reviewed by the Cabinet, the Overview and Scrutiny Committee, and the appropriate Select Committee, on a quarterly basis.

There were 50 actions in total for which progress updates for Q1 were as follows:

- 32 (64%) of these actions have been 'Achieved' or are 'On Target'
- 7 (14%) of these actions are 'Under Control'
- 2 (4%) are 'Behind Schedule'
- 9 (18%) are 'Pending'

13 actions fell within the areas of responsibility of the Resources Select Committee. At the end of Q1:

- 10 (77%) of these actions have been 'Achieved' or are 'On-Target'
- 0 (0%) of these actions are 'Under Control'
- 3 (23%) of these actions are 'Pending'
- 0 (0%) of these actions are 'Behind Schedule'

The Committee noted that action 10, *evaluate possibility of shared services as part of debt working party*, was still a work in progress. And, that action 11, *provide HR/Payroll services to at least one other authority*; this new system was to go live in November 2016 and officers were still looking at a completion date of 31 March 2017. Councillor Bedford wondered if it should be deferred to April, as that was the beginning of the financial year. Councillor Lion replied that they would be pushing ahead as fast as possible to get a trial period in by December 2016. Mr Maddock said that they would then go on to look at working with other authorities. It would then take some time to have an agreement in place.

Councillor Patel noted that some of the target dates needed to be changed to either say achieved or if they were still pending.

RESOLVED:

That the quarter 1 progress of the Corporate Plan Key Action Plan for 2016/17 was noted.

20. KEY PERFORMANCE INDICATORS 2016/17 - QUARTER 1 PERFORMANCE

Mr Maddock introduced the quarter 1 performance report on the Key Performance Indicators for 2016/17. The meeting noted that a range of 37 Key Performance Indicators (KPI) for 2016/17 was adopted in March 2016. Progress in respect of each of the KPIs is reviewed by the relevant Portfolio Holder, Management Board, and Overview and Scrutiny at the conclusion of each quarter.

The overall position for all thirty-seven KPIs at the end of the Quarter 1 was:

- (a) 25 (68%) indicators achieved target;
- (b) 12 (32%) indicators did not achieve target, although
- (c) 3 (8%) of these indicators performed within the agreed tolerance for the indicator.
- (d) 28 (76%) of indicators are currently anticipated to achieve year-end target and a further 2 (5%) are uncertain whether they will achieve year-end target.

Nine of the Key Performance Indicators fell within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at Q1 for these nine indicators, were as follows:

- (a) 8 (89%) indicators achieved target;
- (b) 1 (11%) indicator did not achieve target, however this indicator performed within the agreed tolerance for the indicator;
- (d) 8 (89%) of indicators are currently anticipated to achieve year-end target.

The indicator that had not hit its target was **RES006** (*"on average how many days did it take us to process notices of a change in benefit claimant's circumstances"*) however, it was assumed that by year end it would achieve its set target.

RES001 – *working days lost due to sickness absence* – Councillor Dorrell noted that we had hit the target this quarter but noted that we may not by the end of the year. Councillor Mohindra said that maybe it should have been set at amber. He also noted that the corrective action box just said "non", this should be reviewed.

RES005 – *how many days did it take us to process new benefit claims* – Councillor Lion asked why it took so long to set up a new benefit claim? Mr Maddock replied that not all information was provided at first so officers had to go back for more. Councillor Bedford asked if the target of three weeks should be revised as three weeks was a long time to wait for receipt of benefits. He would like to see it come down to two weeks. Mr Maddock said he would raise this with the head of benefits.

RES011 – *are customer needs being met by the main corporate website having effective navigation* – Councillor Dorrell asked how they measured ease of navigation? Mr Newton, Assistant Director ICT and Facilities Management, replied that it was a measure of how many clicks it took to get to a standard screen.

Councillor Bedford asked if this linked in with any particular department, such as planning. Mr Newton said they could take this into consideration and break it down into various areas. He would look to see what could be done. Councillor Lion remarked that we needed to find out what our customers saw and if we were delivering a good service to our customers.

RESOLVED:

That the Committee reviewed and noted the Quarter 1 performance in relation to the key performance indicators within its areas of responsibility.

21. QUARTERLY FINANCIAL MONITORING

Mr Maddock introduced the quarterly Financial Monitoring report. The report provided a comparison between the original estimate for the period ended 30 June 2016 and the actual expenditure or income as applicable.

The Committee had within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This was the first quarterly report for 2016/17 and covers the period from 1 April 2016 to 30 June 2016.

Revenue Budgets

The meeting noted that:

- The salaries schedule showed an underspend of £202,000 or 3.6%. This was the same in percentage terms as this time last year;
- Resources showed the largest underspend of £78,000 which related to Revenues and Housing Benefits;
- Neighbourhoods and Communities were both showing underspends of £53,000. The former related to Forward Planning and Grounds Maintenance and the latter to the Housing Works Unit;
- Development Control income at month 3 was continuing the recent upward trend;
- Building Control income was £38,000 higher than the budgeted figure;
- Public Hire licence income and other licensing was above expectations;
- The income from MOTs carried out by Fleet Operations was £11,000 below expectations, affected by the uncertainty around the relocation to Oakwood Hill. The move has now happened and a new Fleet Operations manager appointed;
- Car Parking income was £30,000 below the estimates as at month 3. By late August income had reached and even exceeded expected levels;
- Local Land Charge income was £3,000 below expectations;
- Expenditure and income relating to Bed and Breakfast placements was on the increase. Some growth had been allowed for within the 2016/17 budget but it looked unlikely that this would be sufficient;
- An overspend was showing on both Refuse Collection and Recycling;
- The Housing Repairs Fund showed an underspend of £340,000, as well as underspends showing on both Planned Maintenance and Voids work; and
- Income from Development Control, Building Control and probably Car Parking looked likely to exceed the budget. Others were less certain.

Councillor Bedford asked that congratulations be sent from this Committee to the Development Control and Building Control teams for achieving the higher incomes.

Councillor Whitehouse said that the increase in the use of Bed and Breakfast was expensive; have we looked at alternative solutions? Mr Hall, the Director of Communities, noted that expenditure had gone up but so had income. Also, we no longer get as much back from the Government as we used to. Officers were looking into a number of options for handling homelessness and would be reporting back to the Communities Select Committee in the near future. Part of this report would be looking at building on the North Weald Airfield site.

Councillor Bedford asked about the amount of the housing stock awaiting renovations and re-letting. Mr Hall said that the Communities Select Committee generally received these figures, but he thought that generally it was between 1 and 2% of the housing stock. They were always looking at ways to reduce their void periods as they did not want to have empty properties.

Councillor Patel noted that Development Control had higher applications than usual could not this extra money be used to clear any backlog that has built up. Mr Maddock said he would speak to the Assistant Director of Development Management about this.

Business Rates

The meeting noted that:

- This is the fourth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected were retained by the Council;
- The resources available from Business Rates for funding purposes was set in the January preceding the financial year in question. Once these estimates were set the funding available for the year was fixed;
- For 2016/17 the funding retained by the authority after allowing for the Collection Fund deficit from 2015/16 was £3,435,000. This exceeded the government baseline of £3,050,000 by some £385,000. The actual position for 2016/17 would not be determined until May 2017;
- Cash collection was important as the Council was required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money was collected; and
- At the end of June the total collected was £10,206,011 and payments out were £8,636,746, meaning the Council was holding £1,569,265 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

RESOLVED:

That the Committee noted the revenue and capital financial monitoring report for the first quarter of 2016/17.

22. MEDIUM TERM FINANCIAL STRATEGY & FINANCIAL ISSUES PAPER

Mr Maddock introduced the Financial Issues Paper/Efficiency Plan, noting that this had originally gone to the Finance and Performance Management Cabinet Committee in July of this year.

This report provided a framework for the Budget 2017/18 and updated Members on a number of financial issues that affect this Authority in the short to medium term.

The meeting noted that in broad terms the following represented the greatest areas of current financial uncertainty and risk to the Authority:

- Central Government Funding
- Business Rates Retention
- Welfare Reform
- New Homes Bonus
- Development Opportunities
- Transformation
- Waste and Leisure Contracts
- Miscellaneous, including recession/income streams and pension valuation

The report also had a short update on the effect of Brexit has had on this Council. It was noted that the Prime Minister has now stated that she would like to give formal notice to leave the EU by March 2017.

The meeting noted that because of Brexit politicians and the Civil Service appear to have been paralysed and so we knew nothing more that we did in February about changes to New Homes Bonus, the 100% retention of business rates or the financial contribution we would be required to make to support right to buy for housing association tenants. Given this position the report stated that there was little point updating the Medium Term Financial Strategy (MTFS) for anything other than the 2015/16 outturn so the attached MTFS is very similar to the one approved in February.

It would be many years before the effects of Brexit could be fully evaluated, but what could be said at the moment is that for local government it had increased political uncertainty and reduced funding prospects.

Councillor Mohindra added we were waiting on Central Government for a lot more detail and officers would come back with any updates on the MTFS.

Mr Maddock continued that under central government funding we agreed to take up the 4 year settlement. Officers have today brought together the papers that the DCLG required. As for the business rate retention, this consultation closed on 26 September and officers were expecting to hear something soon about this. He had an email saying a draft list has been published listing types of businesses and their rateable value. We needed to print the bills by next March.

Councillor Whitehouse asked if the appeals process progressed. Mr Maddock said that the valuation office had stopped working on appeals to do other work and have now gone back to working on appeals again.

Councillor Patel asked how we could advise businesses on increases in their rates. Mr Maddock advised that they should consult the valuation office. Councillor Mohindra said that we could put this advice on the back of the rate demand.

The consultation on the proposed changes to the New Homes Bonus closed on 10 March 2016, but Officers have not heard anything more about this. It would be necessary to adjust future versions of the MTFS once the exact nature of the changes were known.

The meeting also noted that:

- Acquisition of the St Johns Site in Epping was expected at the end of this month;
- A new head of Customer Services was due to start in November and we are waiting to see what her plans are;
- As part of the revised estimates for 2014/15 Members created an Invest to Save budget of £0.5m. This fund is intended to finance schemes which can produce reductions to the net CSB requirement in future years. This fund has proved popular with Members and officers and the number of ideas generated has meant it has been necessary to allocate additional funding;
- Waste contract – Biffa were now confident that they were able to fulfil their obligations at the price they had tendered and have indicated that the additional resources would stay in place until the transition was completed;
- With the upcoming new Leisure Management contract they were looking to identify savings over the coming years;
- An updating report on Local Plan expenditure went to the last Cabinet meeting.

Councillor Lion asked if we were measuring the savings from the Invest to Save initiative. He was told that initially it was anticipated to be around £100k in savings, but now we were looking at £120k in savings. A report on this would go to the Finance and Performance Cabinet Committee and it could also come to this committee's December meeting for information.

Councillor Lion then asked if the printer migration project had some savings. He was told that they were expecting around £10k in the first year and then maybe around £30k in the year after. Councillor Lion proposed that these savings should be scrutinised by this Committee. This was agreed.

RESOLVED:

- 1) That the Financial Issues Paper/Efficiency plan was noted and commented on;
- 2) That the report on the Invest to Save scheme going to the Finance and Performance Management Cabinet Committee should be brought to this Committee's December meeting for information;
- 3) That a report on the savings made by the printer migration project be brought to this committee when appropriate.

23. TELEPHONE MONITORING STATISTICS

The Assistant Director of ICT and Facilities Management, Mr Newton introduced the latest telephone monitoring statistics covering the period April 2016 to August 2016. The meeting noted that the use of voicemail increased in August, probably due to holidays. The figures were going in the right direction for this period with far fewer calls being received this year than last year, probably due to the problems experienced with the waste management contract last year. Also the number of abandoned calls had decreased and calls going to voicemail had increased over this period.

Councillor Bedford asked if calls were transferred back to the switchboard after 10 rings or so. Mr Newton said it depended on how the system for that section had been set up. The council default was that it would go back to the switchboard, but it may also go into a workgroup for another team member to pick up.

Councillor Jennings asked if a lot of the telephone requests/queries could be moved on to our website. Mr Newton said that the website had not been set up as yet but they were adopting 'intelligent forms'. The Website Development Board was currently looking into this. When the new Customer Services Manager started in November, they would be looking for changes to be set up.

Councillor Mohindra asked if a lot of calls went straight to the switchboard. He was told that there was not a lot of information on this but more data could be had. Councillor Mohindra noticed that there were a lot of abandoned calls to the switchboard. Mr Newton said that they were having some problems keeping people in those posts.

Councillor Lion noted that the PR section were currently looking at 'channel shift' and were looking at how to do more things online, although we would still maintain telephone and personal contact points. The new Customer Contact Centre would change the way that we operated.

Councillor Bedford said that he had a query on bins recently and had phoned the council. He spoke to a very helpful officer who sorted his problems there and then. Not everyone would want to do things via the internet and officers should always be available by phone. He then asked what sort of expertise would the officers in the new contact centre have? Councillor Lion said that they would be generalist, able to cover about 80% of the calls with only about 20% being referred to specialist officers.

Councillor Shiell said that the switchboard service had greatly improved over the last three to four years and wondered what sort of system they had; was it a paper or computer database. Mr Newton said that they had a computer based system, as well as their personal knowledge built up over time. Councillor Shiell wondered if their collective knowledge could be somehow put into a database so we did not lose their expertise.

Councillor C Roberts commented on the increased number of voicemail calls and asked if we monitored the number of voicemails that were followed up. He was told that this could not be monitored by the phone system and could really only be monitored by the policy we had in place. We have not received any complaints about this for some time. Councillor Mohindra asked if they could check how often voicemail was checked. Mr Newton said he would look into this as he was not sure if this could be done.

Councillor Patel suggested that the Committee ask the new Customer Services Manager to come and give a presentation. Councillor Lion said that she should be given some time to settle into her job, and perhaps ask her to come to the March 2017 meeting. We could also ask an officer to attend the December 2016 meeting and speak to us about the 'Channel Shift' project. This was agreed by the Committee.

RESOLVED:

- (1) That the telephone monitoring statistics for the period covering April 2016 to August 2016 be noted;
- (2) That an officer be invited to the December 2016 meeting to give a short presentation on the 'Chanel Shift' project; and
- (3) That the new Customer Services Manager be invited to give a short presentation to this Committee in March 2017.

24. FEES AND CHARGES 2017/18

Mr Maddock introduced the report on the proposed fees and charges that the Council should levy in 2017/18 and what scope there was to increase particular charges. It was noted that a saving of £250,000 in the Council's budget would be required in 2017/18, but the scope for increasing income as a result of increasing fees and charges was relatively limited as regards the General Fund though less so with the Housing Revenue Account (HRA).

The use of labour rate inflation as a guide was adopted last year on the basis that the most significant element of the cost involved in generating fees was staff salaries. The latest figure was 2.1% so adopting a figure of 2.0% was proposed.

It was noted that The Limes Centre makes a number of charges and that it was being proposed that around 5% be added to each of the charges for this facility. Based on recent, sample testing of other similar facilities in the area, it had been identified that the current pricing scale for the Limes Centre was significantly lower than several others and that there had also been an issue of people from outside the district, booking the facilities under the name of EFDC tenants and therefore taking advantage of the 50% tenant discount on hall hire fees.

Councillor Mohindra asked what were the current figures for the Limes Centre and was it well used and, if so, we did not want to increase the fees too much. The Director of Communities, Mr Hall, said that the Centre was well used and that officers would be looking next year to consider if it was appropriate to continue having a two tier charging system for tenants and non-tenants.

Councillor Patel asked if it was being proposed to have one set price throughout the district and was told that it was not, since all the halls were of different sizes and had different facilities.

It was noted that the two charges for Council tenants and non-Council tenants were substantially different, and the Committee considered whether the charge could be set at a one level between the two. It was also suggested that it may be useful to compare the charges with private sector hall charges. Councillor Bedford suggested that the charging structure should remain as currently and to look at making changes next year, with some supporting evidence, fact and figures to base a decision on.

The Committee agreed to recommend that the charges for the Limes Centre be kept as set out in the report for this year, but asked for when the Committee considered fees and charges next year:

- Some background evidence for the costs of other halls in the district;
- What types of groups use the hall;
- How much it costs to run these halls compared to the income received (i.e. our charges);
- If the facility does not break even, how much the Council would need to charge to cover its costs.

The Committee felt that this would enable them to make an informed decision next year on whether or not to have only one or two scales of charges for the following year, and what those charges should be.

Councillor Whitehouse asked when was the last time the council considered which of its charges made a commercial return or if they were set for social or other reasons. Mr Maddock replied that on some charges we could only recoup our costs, such as on Licensing, Building Control and Development Control. Some fees are set based on cost recovery and there was a balance between making a surplus and setting fees too low that we didn't cover costs.

It was noted that waste management charges on bulky household waste were going up by 1.5% to 2%. Councillor Bedford asked if there were any concessions made for the unemployed or those on benefits. He was told that this was not done at present and if it were, then some checks would be needed to be put in.

Councillor Lion noted that there were potential fly-tipping issues with the new tip closures that were coming in. He then asked why the second drivers licensing test was half the cost of the first one. Mr Maddock said he would find out.

RESOLVED:

- (1) That the proposals for the level of fees and charges for 2017/18 be agreed; and
- (2) That in agreeing to the two tiered increase of the charges for the Limes Farm Halls and facilities, the committee, in the next year, would like some background evidence on the costs of other venues in the district, what types of groups used them, how much did it cost the council to run these halls and how much it would take to cover these costs. This would enable them to make an informed decision next year on whether to have only one or two scales of charges for the coming year.

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

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

26. FUTURE MEETINGS

- 1) The meeting noted the scheduled future date for these meetings.
- 2) It was noted that there was a discrepancy between the date of the last meeting of the year shown on the agenda as 28 March 2017 and that shown on the work programme as 28 April. On researching this the 28 March 2017 date was the right one. The date on the work programme would be altered to reflect this.

RESOURCES SELECT COMMITTEES

TERMS OF REFERENCE 2016/17

Title: Resources Select Committee

Status: Select Committee

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

Finance

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

Information and Communications Technology

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

Value For Money

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

Human Resources
11. To monitor and review areas of concern or significance that comes under Human Resources.
Chairman: Cllr S Kane

Resources Select Committee (Chairman – Cllr S Kane)

2016/17

Item	Report Deadline/ Priority	Progress / Comments	Programme of Meetings
(1) Key Performance Indicators 2015/16 – outturn review	Outturn KPI performance considered at the first meeting of each municipal year.	Outturn KPI performance report for 2015/16 - went to July 2016 meeting	12 July 2016; 10 October ; 06 December;
(2) To review the specific quarterly KPI's for 2016/17	Quarterly.	Review of quarterly performance: Q1 in October 2016 - completed; Q2 in December '16; Q3 in Feb. '17	07 February 2017; 28 March
(3) Corporate Plan Key Action Plan 2015/16 – Outturn review	First meeting of each municipal year	Outturn Key Action Plan 2015/16 performance went to July 2016 meeting	
(4) Corporate Plan Key Action Plan 2016/17 – quarterly review	Quarterly	Review of quarterly performance: Q1 October 2016 - completed; Q2 December 2016; Q3 February 2017.	
(5) Detailed Portfolio Budgets	Portfolio budgets considered on an annual basis jointly with the Finance & Performance Management Cabinet Committee.	Annual review of portfolio budgets to be considered at joint meeting with the F&P M Cabinet Committee in January of each year.	

(6) ICT Strategy – Progress & Call Handling	Progress against ICT Strategy considered on an annual basis.	Progress report on call/response handling. Also to receive a report on options following introduction of new telephony system. <i>Last update in October 2016 on telephone monitoring statistics.</i>	
(7) Fees and Charges 2017/18	Proposed fees and charges for 2017/18 - for October 2016 meeting.	Proposed fees and charges considered on an annual basis each October.	
(8) Provisional Capital Outturn 2015/16	Provisional outturn for 2015/16 for July meeting.	Provisional Capital Outturn considered on an annual basis at first meeting in each municipal year.	
(9) Provisional Revenue Outturn 2015/16	Provisional outturn for 2015/16 for July 2016 meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each municipal year.	
(10) Sickness Absence Outturn	July 2016	To review the Sickness Outturn report for 2015 - 16 – went to July 16 meeting	
(11) Sickness Absence	Half-yearly progress reports for 2016/17 to be considered at December and July meetings.	Detailed progress against achievement of sickness absence targets reviewed on a six-monthly basis.	
(12) Medium Term Financial Strategy & Financial issues paper	October 2016	To receive the Financial Issues Paper and Medium Term Financial Strategy including 4 year General Fund forecast	
(13) Quarterly Financial Monitoring	Oct 2016- completed; Dec.2016; & February 2017	To receive quarterly financial monitoring reports	

(14) Review of Risk management arrangements	Dec 2016	Item from the O&S Co-ordinating Group. To review the trends in claims experience.
(15) Review of Section 106 monies and monitoring report	Dec 2016	Item from the O&S Co-ordinating Group. Section 106 agreements attempt to alleviate significant impacts on the local area and reach an agreement with the developer to mitigate the costs of additional infrastructure. The Community Infrastructure Levy (CIL) looks at the wider area infrastructure and tries to gain funding for its implementation. The two funding streams cannot fund the same infrastructure
(16) Cost of member and corporate activities	TBA	Item from the O&S Co-ordinating group. To review requests for meetings\reports and examine the cost implications.
(17) Shared Services Working	TBA	To review any shared services working being carried out by EFDC. HR currently working with Colchester and Braintree Councils on a shared HR payroll system. <i>Last update at the December 2015 meeting.</i>
(18) Housing Benefit Fraud & Compliance	February 2017	Received a report in Feb. 2016 on the fraud team's work.

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SCRUTINY



Epping Forest District Council

Report to: Resources Select Committee

Date of meeting: 6 December 2016

Portfolio: Finance (Councillor G. Mohindra)

Subject: Key Performance Indicators 2016/17 - Quarter 2 Performance

Officer contact for further information: Barbara Copson (01992 564042)

Democratic Services Officer: Adrian Hendry (01992 564246)

Recommendations/Decisions Required:

That the Select Committee reviews Q2 performance in relation to the key performance indicators within its areas of responsibility.

Executive Summary:

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

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

Reasons for Proposed Decision:

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

Other Options for Action:

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

Report:

1. A range of thirty-seven (37) Key Performance Indicators (KPIs) for 2016/17 was adopted by the Finance and Performance Management Cabinet Committee in March 2016. The KPIs are important to the improvement of the Council's services and the achievement of its key objectives, and comprise a combination of some former statutory indicators and locally

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

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

3. A headline end of Q2 performance summary in respect of the KPIs falling within the Resources Select Committee's areas of responsibility for 2016/17, together with a detailed performance report for each of these indicators, is attached at Appendix 1 to this report. Attached at Appendix 2 are the Improvement plans for the indicators which failed to reach target for the quarter.

Key Performance Indicators 2016/17 - Quarter 2 Performance

4. The overall position for **all** thirty-seven (37) KPIs at the end of the Quarter 2, was as follows:

- (a) 28 (76%) indicators achieved target;
- (b) 9 (24%) indicators did not achieve target, although
- (c) 2 (22%) of these indicators performed within the agreed tolerance for the indicator.
- (d) 31(84%) of indicators are currently anticipated to achieve year-end target and a further 4 (11%) are uncertain whether they will achieve year-end target.

5. **Resources Select Committee indicators** – nine (9) of the Key Performance Indicators fall within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at Q2 for these nine (9) indicators, was as follows:

- (a) 6 (67%) indicators achieved target;
- (b) 3 (33%) indicators did not achieve target, however 2 (22%) indicators performed within the agreed tolerance for the indicator;
- (d) 8 (89%) of indicators are currently anticipated to achieve year-end target and a further 1 (11%) is uncertain whether it will be achieve year-end target.

6. The 'amber' performance status used in the KPI report identifies indicators that have missed the agreed target for the quarter, but where performance is within an agreed tolerance or range. The KPI tolerances were agreed by Management Board when targets for the KPIs were set in February 2016.

7. The Select Committee is requested to review Q2 performance for the KPIs within its areas of responsibility. The full set of KPIs was also considered by Management Board on 26 October 2016 and the Finance and Performance Management Cabinet Committee on 10 November 2016.

Resource Implications: none for this report

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

Safer, Cleaner, Greener Implications: none for this report

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

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

Impact Assessments:

Risk Management: none for this report

Equality: none for this report.

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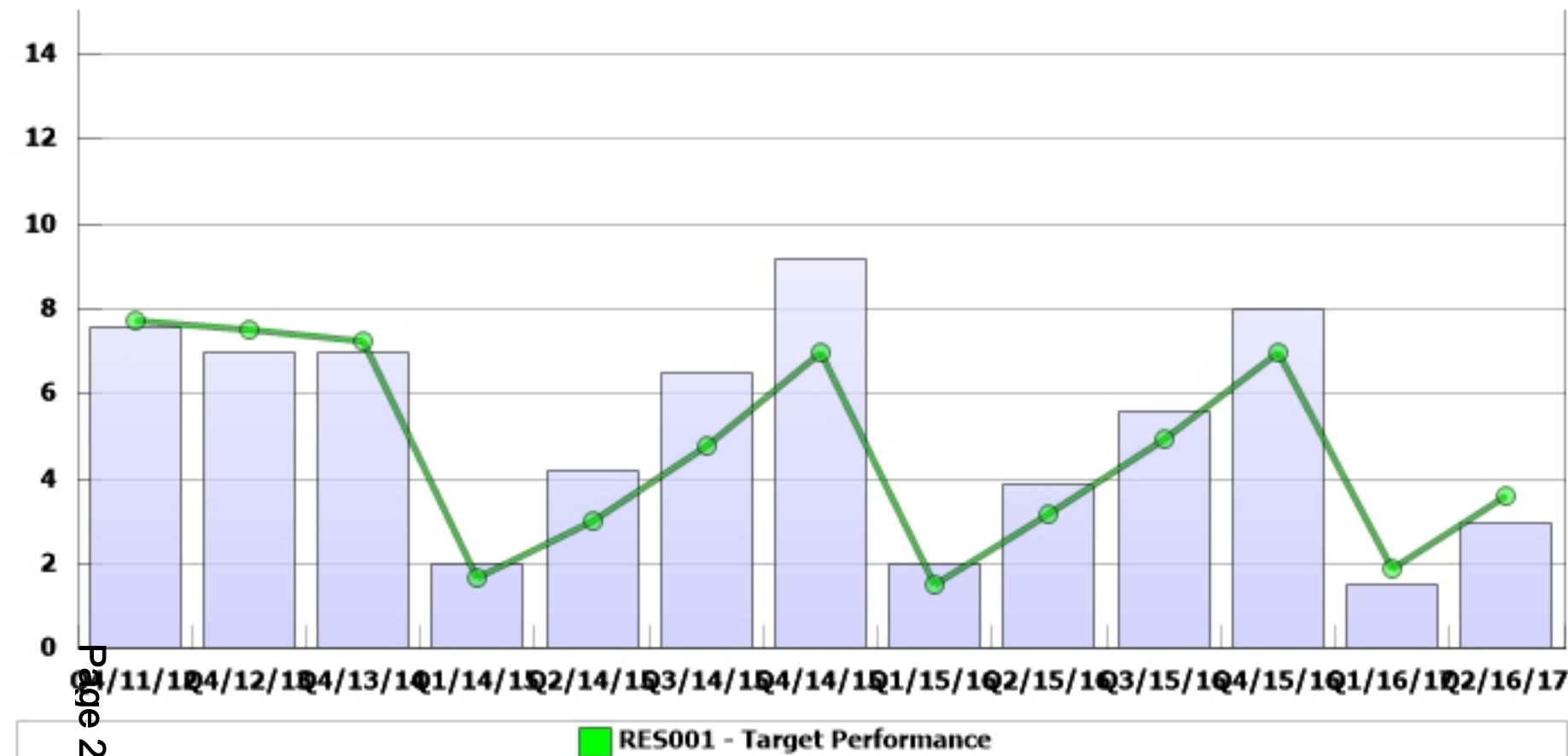
Quarterly Indicators		Quarter 1		Quarter 2		Quarter 3		Quarter 4		Is year-end target likely to be achieved?
		Tgt	Actual	Tgt	Actual	Tgt	Actual	Tgt	Actual	
Resources										
RES001	(Sickness absence) (days)	1.90	1.50	<div></div>	3.64	2.98	<div></div>	5.24	7.50	Uncertain
RES002	(Invoice payments) (%)	97%	98%	<div></div>	97%	97%	<div></div>	97%	97%	Yes
RES003	(Council Tax collection) (%)	27.27%	27.61%	<div></div>	51.99%	52.65%	<div></div>	77.09%	97.00%	Yes
RES004	(NNDR Collection) (%)	28.48%	28.83%	<div></div>	53.46%	53.25%	<div></div>	78.67%	97.70%	Yes
RES005	(New benefit claims) (days)	22.00	21.28	<div></div>	22.00	22.72	<div></div>	22.00	22.00	Yes
RES006	(Benefits changes) (days)	6.00	6.91	<div></div>	6.00	7.62	<div></div>	6.00	6.00	Yes
RES009	(Website Availability) (%)	99.60%	99.82%	<div></div>	99.60%	99.89%	<div></div>	99.60%	99.60%	Yes
RES010	(Website Broken Links) (%)	95.00%	99.89%	<div></div>	95.00%	100.00%	<div></div>	95.00%	95.00%	Yes
RES011	(Website Navigation) (%)	79.90%	80.51%	<div></div>	79.90%	80.42%	<div></div>	79.90%	79.90%	Yes

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

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

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

Current and previous quarters performance



Quarter	Target	Actual
Q2/16/17	3.64	2.98
Q1/16/17	1.90	1.50
Q4/15/16	7.00	7.99
Q3/15/16	4.95	5.58
Q2/15/16	3.20	3.88

Annual 2016/17 - 7.50 days
 Target: 2015/16 - 7.00 days
 Indicator of good performance:
 A lower number of days is good

↓ is the direction of improvement



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

Uncertain

Comment on current performance (including context):

(Q2 2016/17)
 Both Q1 and Q2 outturn figures are below target and are an improvement on the same quarters in 2015/2016. There has been an improvement of an average of 0.9 days from 2015/16 to 2016/17.

Uncertain if target will be met as Q3 and Q4 historically show an increase in the number of days taken as sickness absence.

Corrective action proposed (if required):

(Q2 2016/17) - No corrective action required at this stage.

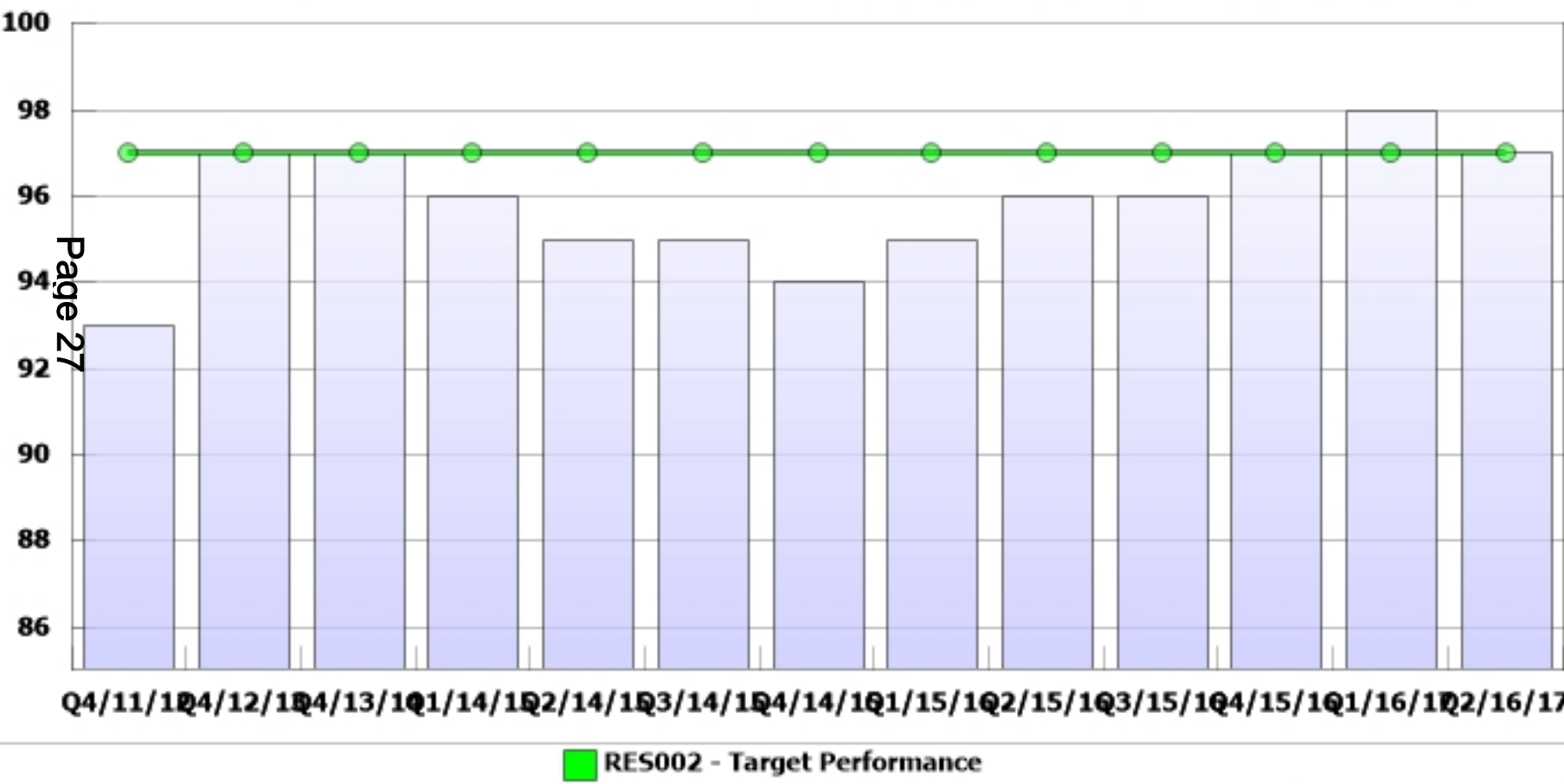
RES002

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

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

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

Current and previous quarters performance



Quarter	Target	Actual	
Q2/16/17	97%	97%	✓
Q1/16/17	97%	98%	✓
Q4/15/16	97%	97%	✓
Q3/15/16	97%	96%	✗
Q2/15/16	97%	96%	✗

Annual 2016/17 - 97.0%
Target: 2015/16 - 97.0%

Indicator of good performance:
A higher percentage is good

↑ is the direction of improvement

▲

▼

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

Yes

Comment on current performance (including context):

(Q2 2016/17) - Good performance in Quarter 2 met the target though was a percentage point down on quarter 1. Neighbourhoods achieved 99%. 81% of Local suppliers were paid within 20 days a 1% improvement on quarter1.

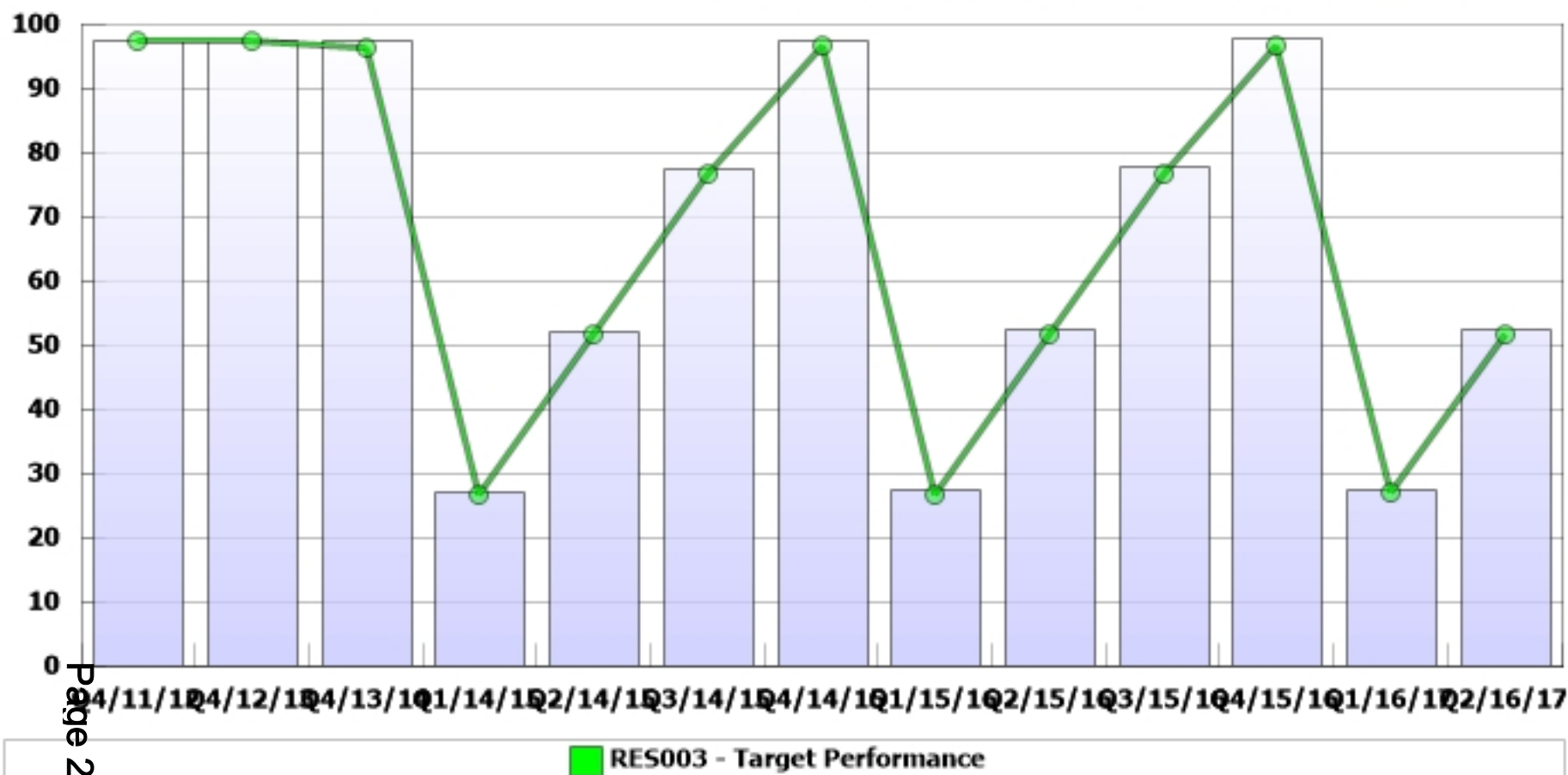
Corrective action proposed (if required):

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

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

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

Current and previous quarters performance



Quarter	Target	Actual
Q2/16/17	51.99%	52.65%
Q1/16/17	27.27%	27.61%
Q4/15/16	96.50%	98.03%
Q3/15/16	77.00%	77.91%
Q2/15/16	51.98%	52.54%



Annual 2016/17 - 97.10%
Target: 2015/16 - 97.00%

Indicator of good performance:
A higher percentage is good

↑ is the direction of improvement

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

Yes



INSTRUCTIONS TO YOUR B
BUILDING SOCIETY
FOR CASH/DEBIT

PLEASE PRINT IN BLOCK CAPITALS

NAME: _____

ADDRESS: _____

POSTCODE: _____

TELEPHONE: _____

DATE: _____



Comment on current performance (including context):

(Q2 2016/17) - the performance is 0.11% up on the same stage last year

Corrective action proposed (if required):

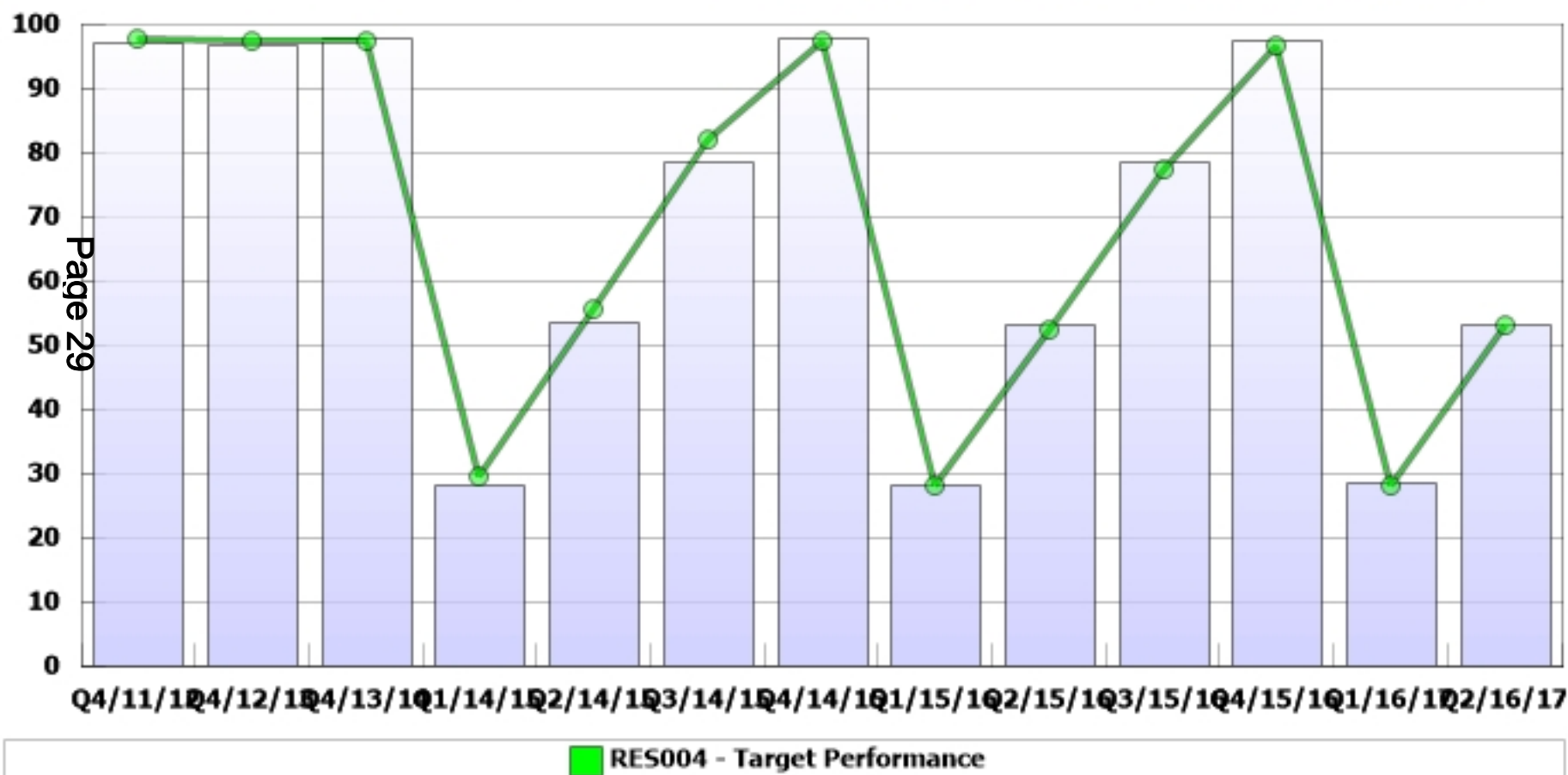
(Q2 2016/17) - the Council Tax team has a debt recovery timetable in place to collect any outstanding debt

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

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

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

Current and previous quarters performance



Quarter	Target	Actual
Q2/16/17	53.46%	53.25%
Q1/16/17	28.48%	28.83%
Q4/15/16	97.20%	97.84%
Q3/15/16	78.09%	78.78%
Q2/15/16	53.04%	53.54%



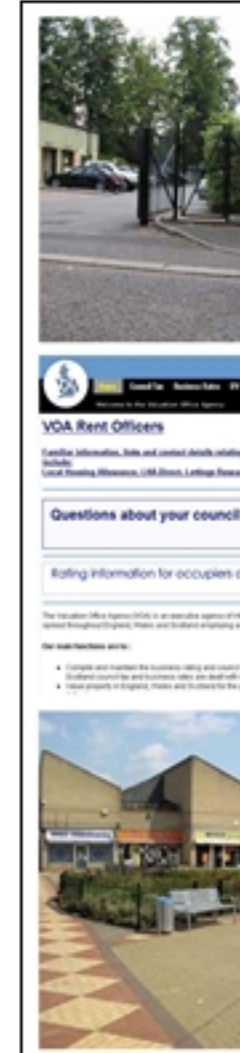
Annual 2016/17 - 97.80%
Target: 2015/16 - 97.70%

Indicator of good performance:
A higher percentage is good

↑ is the direction of improvement

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

Yes



Comment on current performance (including context):

(Q2 2016/17) - the performance is 0.29% up on the same stage last year. There has been an increase in Business Rates arrears in the first quarter of 2016/17 which has required action through the Magistrates Court. The processes are in place to recover the debts due but obviously this will take longer than last year. A similar picture has been reported across a number of Essex authorities with a couple around 1.5% down on last year.

Corrective action proposed (if required):

(Q2 2016/17) - the Business Rates team has a debt recovery timetable in place to collect any outstanding debts

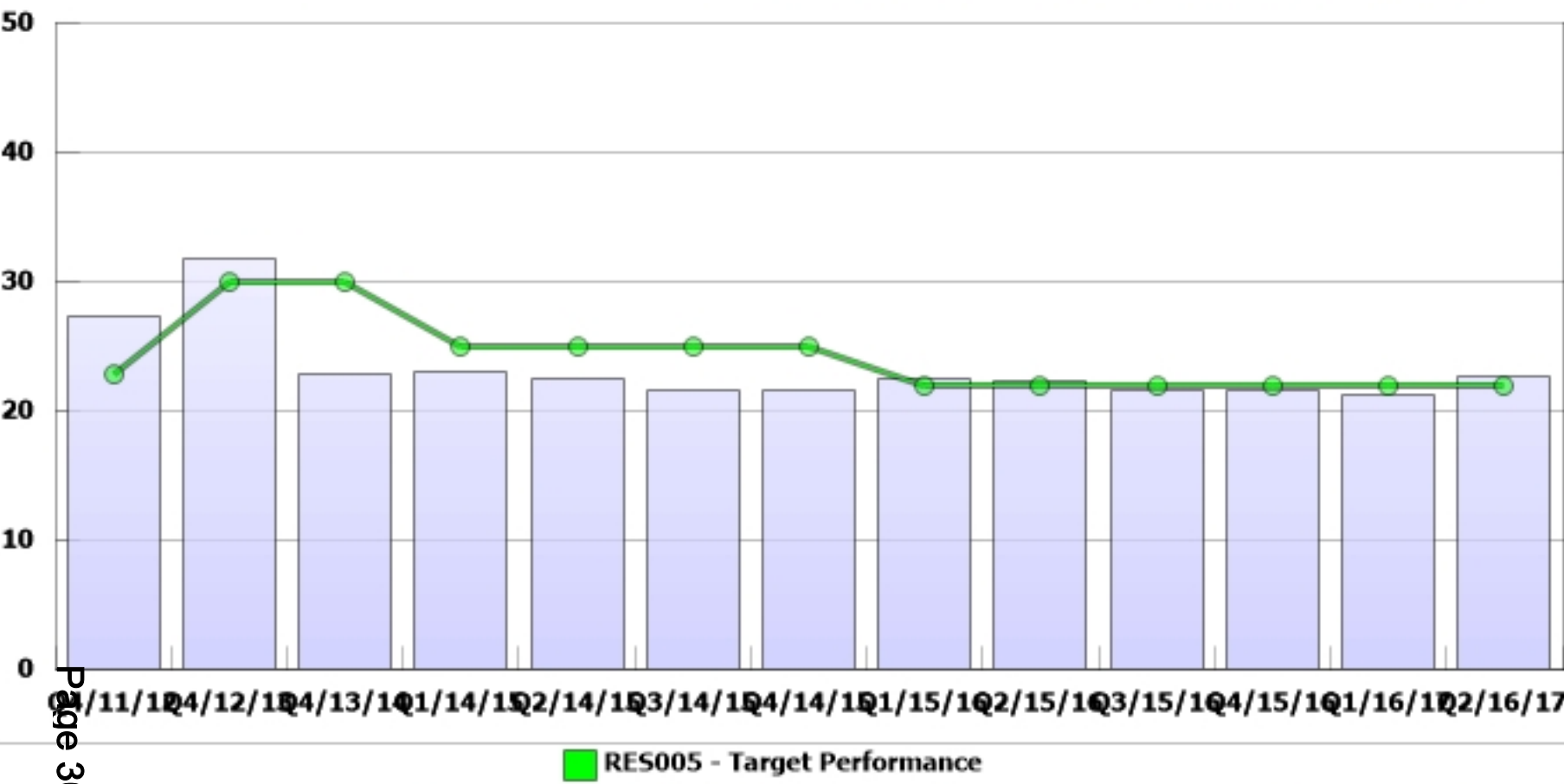
RES005

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

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

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

Current and previous quarters performance



Quarter	Target	Actual	
Q2/16/17	22.00	22.72	✗
Q1/16/17	22.00	21.28	✓
Q4/15/16	22.00	21.76	✓
Q3/15/16	22.00	21.78	✓
Q2/15/16	22.00	22.36	✗

Annual 2016/17 - 22.00 days
Target: 2015/16 - 22.00 days
Indicator of good performance:
A lower number of days is good
↓ is the direction of improvement

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

Comment on current performance (including context):

(Q2 2016/17) - On Target for 2016/2017

Corrective action proposed (if required):

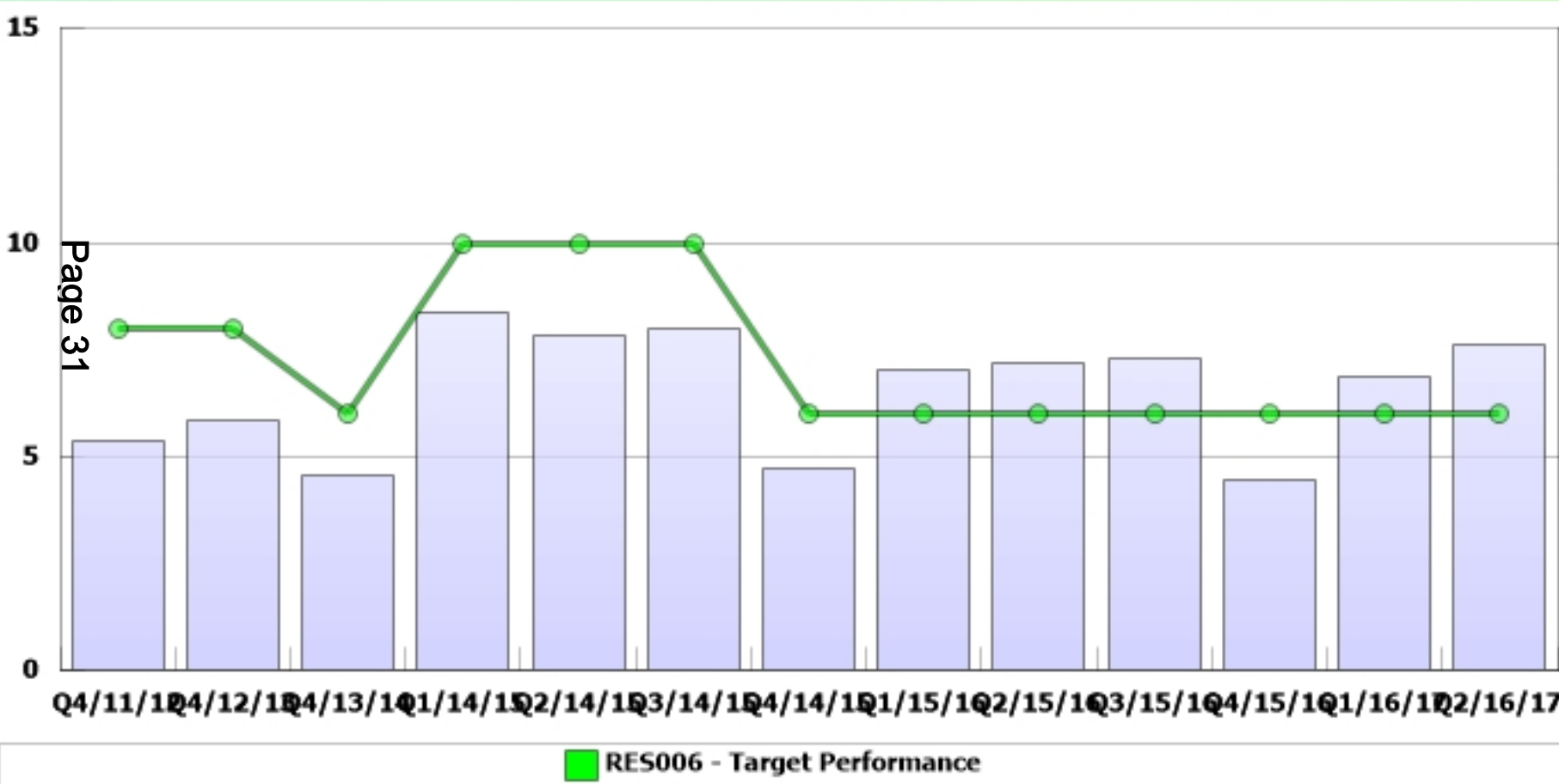
(Q2 2016/17) - Performance is continually monitored and adjustments on processes will be made as appropriate.

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

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

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

Current and previous quarters performance



Quarter	Target	Actual	
Q2/16/17	6.00	7.62	✗
Q1/16/17	6.00	6.91	✗
Q4/15/16	6.00	4.47	✓
Q3/15/16	10.00	7.29	✓
Q2/15/16	10.00	7.19	✓

Annual 2016/17 - 6.00 days
Target: 2015/16 - 6.00 days
Indicator of good performance:
A lower number of days is good
↓ is the direction of improvement

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

Comment on current performance (including context):

(Q2 2016/17) - On Target for 2016/2017 as quarters 3 & 4 are likely to bring the total back within target.

Corrective action proposed (if required):

(Q2 2016/17) - Performance is continually monitored and adjustments on processes will be made as appropriate

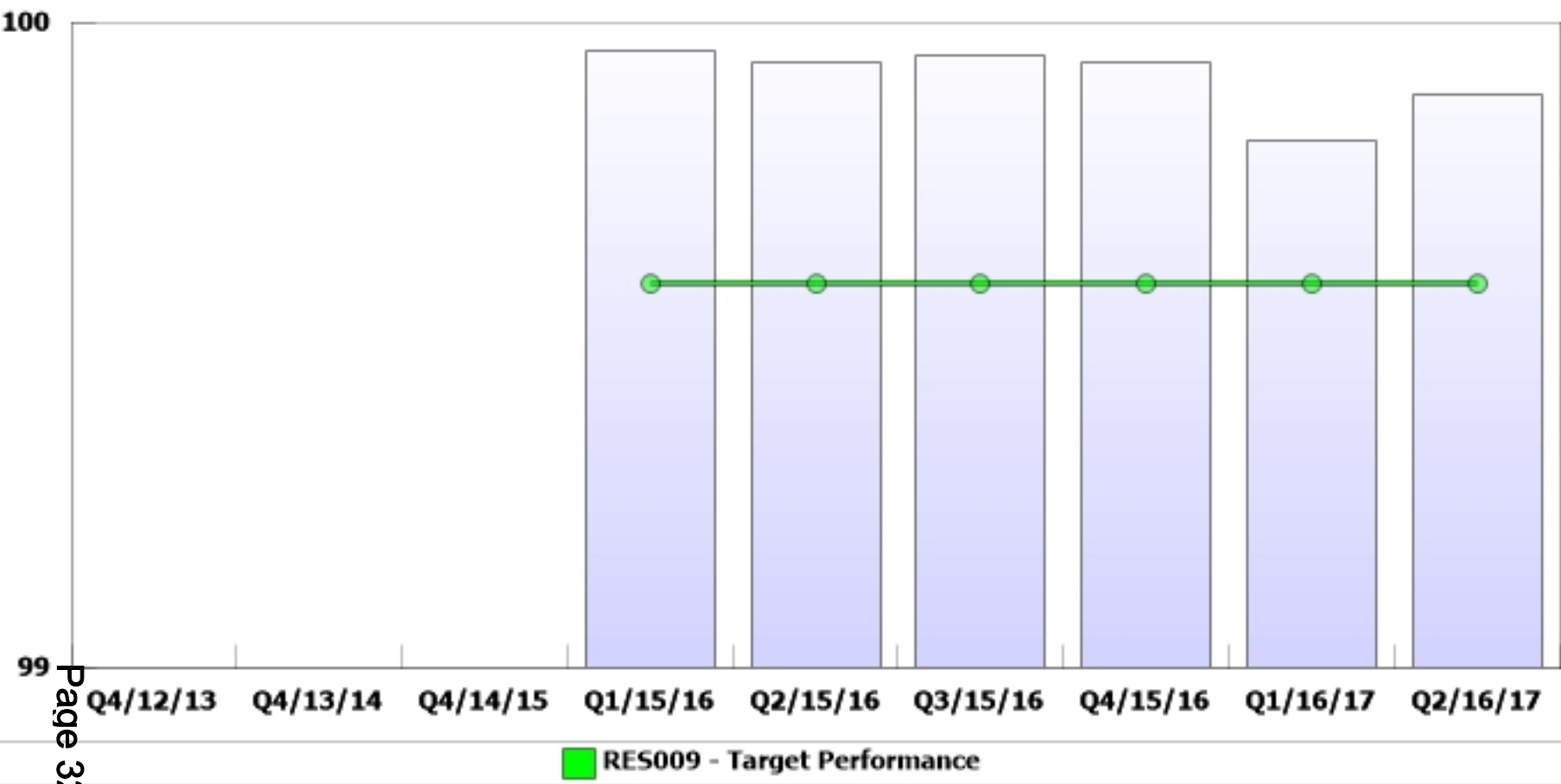
RES009

Are customer needs being met by the Corporate Websites being available?

Additional Information: This measures aspects of website functionality which affect user experience. The amount of time the main sites (Joomla; Word Press; Planning Explorer; Info @t Work Public Access; and Modern.gov) are available impacts on the provision of Council information and together with RES010 and RES011, provides technical information against which customer satisfaction can be inferred.

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

Current and previous quarters performance



Quarter	Target	Actual	
Q2/16/17	99.60%	99.89%	✓
Q1/16/17	99.60%	99.82%	✓
Q4/15/16	99.60%	99.94%	✓
Q3/15/16	99.60%	99.95%	✓
Q2/15/16	99.60%	99.94%	✓

Annual 2016/17 - 99.60%
Target: 2015/16 - 99.60%

Indicator of good performance:
A higher number is good

↑ is the direction of improvement

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

Comment on current performance (including context):

(Q2 2016/17) - the target for website availability (uptime) is 99.60% - the actual uptime is 99.89%.

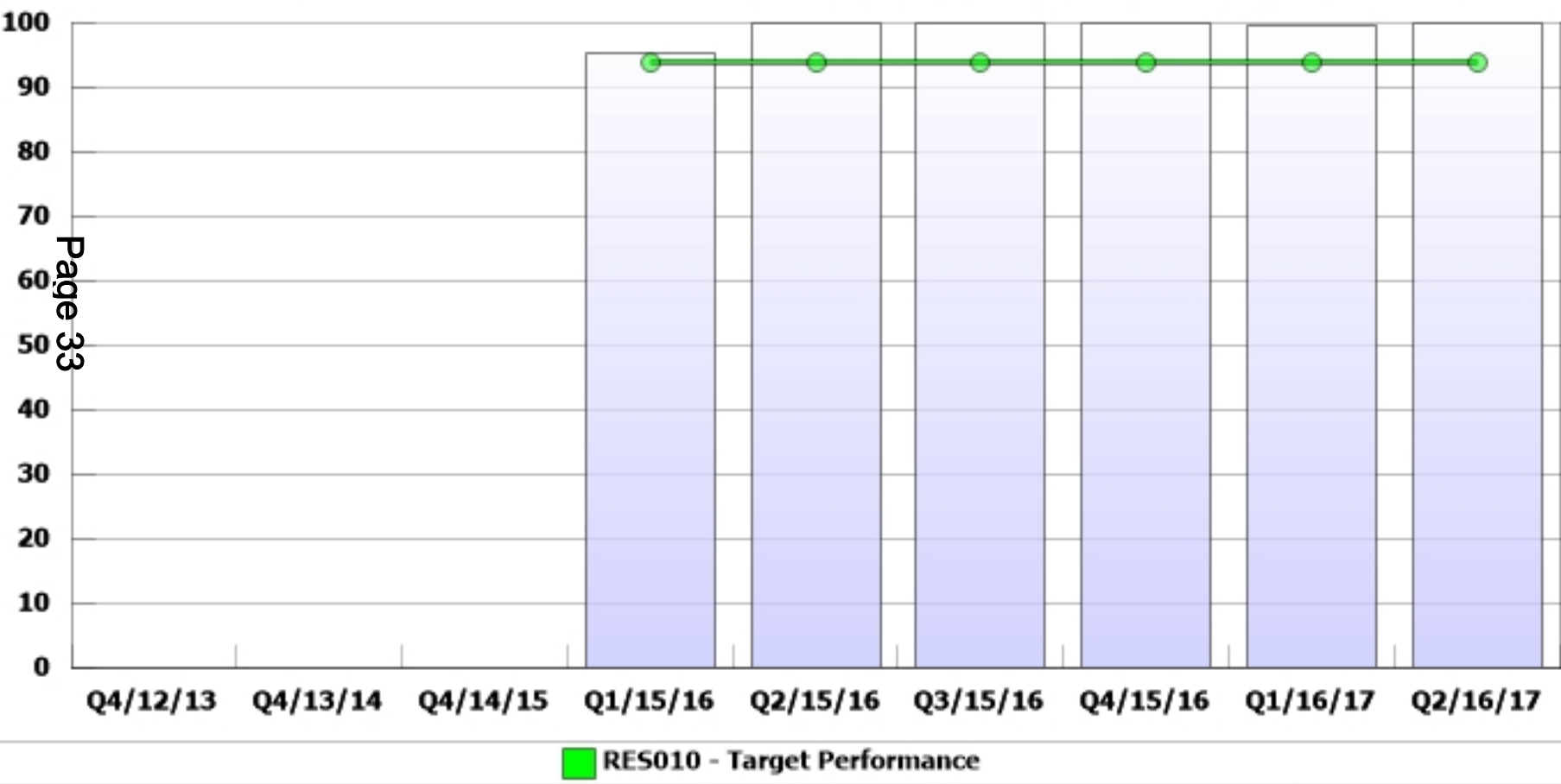
Corrective action proposed (if required):

RES010 Are customer needs being met by the main Corporate Websites not having broken links?

Additional Information: This indicator measures aspects of website functionality which will affect user experience. The absence of broken links on the main website (Joomla) mpacts on the successful provision of Council information and a positive website user experience. Together with RES009 and RES011, this indicator provides technical information against which customer satisfaction can be inferred.

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

Current and previous quarters performance



Quarter	Target	Actual
Q2/16/17	95.00%	100.00%
Q1/16/17	95.00%	99.89%
Q4/15/16	94.10%	100.00%
Q3/15/16	94.10%	100.00%
Q2/15/16	94.10%	100.00%



Annual 2016/17 - 95.00%
Target: 2015/16 - 94.10%

Indicator of good performance:
A higher number is good

↑ is the direction of improvement

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

Yes

Comment on current performance (including context):

(Q2 2016/17) - target is 95%. No broken links on 888 pages on main website.

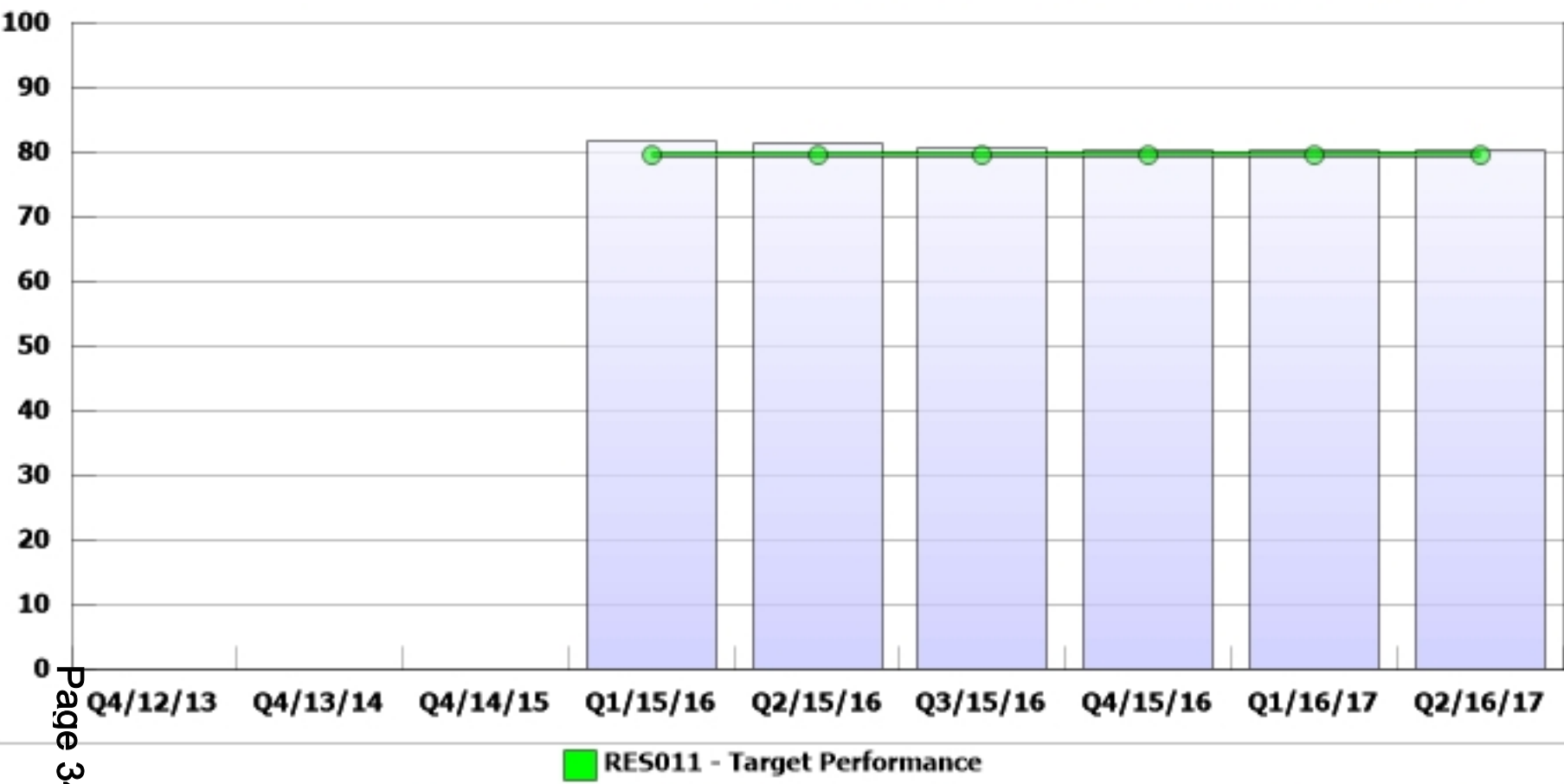
Corrective action proposed (if required):

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

Additional Information: This indicator measures aspects of website functionality which will affect user experience. The ease of navigation impacts on the successful provision of Council information and a positive website user experience. Together with RES009 and RES010, this indicator provides technical information against which customer satisfaction can be inferred.

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

Current and previous quarters performance



Quarter	Target	Actual
Q2/16/17	79.90%	80.42%
Q1/16/17	79.90%	80.51%
Q4/15/16	79.90%	80.66%
Q3/15/16	79.90%	81.04%
Q2/15/16	79.90%	81.57%



Annual Target: 2016/17 - 79.90%
2015/16 - 79.90%

Indicator of good performance:
A higher number is good

↑ is the direction of improvement

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

Yes

Comment on current performance (including context):

(Q2 2016/17) - target of 79.90% actual 80.42%.

Corrective action proposed (if required):

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

Outturn			Target
2013/14	2014/15	2015/16	2016/17
98.09%	97.86%	97.84%	97.80%

Responsible Officer

Bob Palmer
Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
Migration of FAQ calls for Business Rates into the Customer Service Team to allow specialist staff in the back-office to concentrate on complex accounts	30/06/16	Reduction in calls taken by back-office
Re-tender of Enforcement Agents contract	01/09/16	Appointment of supplier(s)
Implementation of on-line authentication for businesses to view their accounts and check balances and to have the provision for e-billing	Annual Billing 2017	Go-live

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

All costs contained with existing contract terms

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

Much of the work is based around IT solutions and will depend on agreed resources being in place with suppliers, both internally and externally

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

Outturn			Target
2013/14	2014/15	2015/16	2016/17
23.00 days	21.74 days	21.76 days	22.00 days

Responsible Officer

Bob Palmer

Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
Regular review of procedures to reduce delays and unnecessary requests for information.	July and October 2016 and January 2017	Weekly monitoring and KPI performance reported on a quarterly basis
Review documentation to encourage claimants to provide documentation with their applications and reduce the need to write to request the information that has not been provided.	October 2016	Weekly monitoring and KPI performance reported on a quarterly basis
Regular review of training requirements	July and October 2016 and January 2017	Weekly monitoring and KPI performance reported on a quarterly basis
Recruitment of experienced staff to vacant posts.	June/July 2016 and as vacancies arise	Weekly monitoring and KPI performance reported on a quarterly basis

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

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

If experienced staff cannot be recruited, the vacant posts will impact on performance.

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

Outturn			Target
2013/14	2014/15	2015/16	2016/17
4.58 days	4.74 days	4.47 days	6.00 days

Responsible Officer

Bob Palmer

Director of Resources

Improvement Action	Target Dates	Key Measures / Milestones
Regular review of procedures to reduce delays and unnecessary requests for information.	July and October 2016 and January 2017	Weekly monitoring and KPI performance reported on a quarterly basis

Regular review of training requirements	July and October 2016 and January 2017	Weekly monitoring and KPI performance reported on a quarterly basis
Recruitment of experienced staff to vacant posts.	June/July 2016 and as vacancies arise	Weekly monitoring and KPI performance reported on a quarterly basis

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

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

If experienced staff cannot be recruited, the vacant posts will impact on performance.

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SCRUTINY



Epping Forest District Council

Report to: Resources Select Committee

Date of meeting: 6 December 2016

Portfolio: Leader (Councillor C. Whitbread)

Subject: Corporate Plan Key Action Plan 2016/17 – Quarter 2 progress

Officer contact for further information: Barbara Copson (01992 564042)

Democratic Services Officer: Adrian Hendry (01992 564246)

Recommendations/Decisions Required:

- (1) That the Committee review the second quarter (Q2) progress of the Corporate Plan Key Action Plan for 2016/17 in relation to its areas of responsibility; and
- (2) That the Committee identifies any actions arising from the Corporate Plan Key Action Plan for 2016/17 Q2 within its areas of responsibility, which require in-depth scrutiny or further report on current progress.

Executive Summary:

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

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

The Corporate Plan Key Action Plan for 2016/17 was agreed by the Cabinet in March 2016. Progress in relation to all actions and deliverables is reviewed by the Cabinet, the Overview and Scrutiny Committee, and the appropriate Select Committee, on a quarterly basis.

Reasons for Proposed Decision:

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

Some actions have cross directorate responsibility. Where this is the case the most appropriate Select Committee is requested to consider the action. This report presents

progress against the Key Action Plan for 2016/17 for actions most appropriately considered by the Resources Select Committee.

Other Options for Action:

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

Report:

1. The Corporate Plan 2015-2020 is the Council's highest level strategic document. It sets the strategic direction for the authority for the five year lifetime of the Plan. It focuses on a number of key areas that the Council needs to focus on during that time and helps to prioritise resources to provide quality services and value for money. These key areas are known as the Corporate Aims and are supported by a set of Key Objectives which represent the Council's high-level initiatives and over-arching goals to achieve the Corporate Aims. The Key Objectives are in turn, delivered via an annual Key Action Plan.
2. The Key Action Plan 2016/17 is populated with actions or deliverables designed to secure progress against each of the Key Objectives during 2016/17. During the subsequent years in the lifetime of the Key Objectives, annual action plans will be developed which build on progress achieved during preceding years.
3. The annual action plans are working documents are subject to change and development to ensure that the actions remain relevant and appropriate, and to identify opportunities to secure further progress or improvement. The Leader of Council, in consultation with the Chief Executive, is authorised to agree any further changes to Key Action Plans, following their approval by the Council.
4. Progress against the Key Action Plan is reviewed on a quarterly basis to ensure the timely identification and implementation of appropriate further initiatives or corrective action where necessary. Quarter 2 progress against the individual actions of the 2016/17 Key Action Plan, is as below: In reporting progress, the following 'status' indicators have been applied to the to individual actions:

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

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

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

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

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

5. There are 49 actions **in total** for which progress updates for Q2 are as follows:

- 29 (59%) of these actions have been 'Achieved' or are 'On Target'
- 14 (29%) of these actions are 'Under Control'
- 2 (4%) are 'Behind Schedule'
- 4 (8%) are 'Pending'

13 actions fall within the areas of responsibility of the Resources Select Committee. At the end of Q2:

- 8 (62%) of these actions have been 'Achieved' or are 'On-Target'
- 4 (31%) of these actions are 'Under Control'
- 1 (8%) of these actions are 'Pending'
- 0 (0%) of these actions are 'Behind Schedule'

6. The Committee is requested to review the Q2 progress against Key Action Plan for 2016/17 as set out in Appendix 1 of this report, and identify any actions that require more in-depth scrutiny or further progress reports.

7. This report was also considered by the Cabinet on 1 December 2016 and will be considered by the Overview and Scrutiny Committee on 19 December 2016.

Resource Implications: None for this report.

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

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

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

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

Impact Assessments:

Risk Management: None for this report.

Equality: None for this report.

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

Key Objective (i)(a) To ensure that the Council's Medium Term Financial Strategy plans to meet the Council's financial and service requirements for any forward five year period, whilst minimising any reliance on Government funding.

Action	Lead Directorates	Target Date	Status	Progress
1) Deliver identified savings	Management Board	31-Mar-17	On Target	Q1 (2016/17) Printer Migration Project is being implemented. Transformation work-stream is reviewing further opportunities. Reports due in the autumn. Q2 (2016/17) Transformation savings of £107,260 of which £70,960 are General Fund and £36,300 HRA.
2) Progress preparations for delivering savings for 2016/17	Management Board	31-Mar-17	On Target	Q1 (2016/17) Not yet due - will be progressed as part of the 2017/18 budget process. Q2 (2016/17) Not yet due - will be progressed as part of the 2017/18 budget process.
3) Develop additional business cases	Management Board	30-Sep-16	Under Control	Q1 (2016/17) Printer Migration Project is being implemented. Transformation work-stream is reviewing further opportunities. Reports due in the autumn. Q2 (2016/17) Savings identified for 2016/17 total £107,260, of which £70,960 are general fund and £36,300 are HRA. Savings identified for 2017/18 total £40,500, of which £34,800 are general fund and £5,700 are HRA. Further savings ideas to be considered by the Cabinet for 2017/18 are estimated to range from £480,900 to £533,200. Of this £451,300 to £502,800 are general fund and £29,600 to £30,400 are HRA.

4) Presentation of the Financial Issues Paper and MTFS update	Resources	31-Jul-16		Achieved	<p>Q1 (2016/17) The Financial Issues Paper will be presented to the Finance & Performance Management Cabinet Committee on 14 July.</p> <p>Q2 (2016/17) The Financial Issues Paper was presented to the Finance and Performance Management Cabinet Committee on 14 July and the recommendations have now been agreed by Cabinet.</p>
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Key Objective (i)(c) To explore appropriate opportunities to make savings and increase income through the shared delivery of services with other organisations, where such arrangements would provide improved and/or more cost effective outcomes.

Action	Lead Directorates	Target Date		Status	Progress
8) Explore the possible expansion of the insurance service provided to Uttlesford District Council.	Resources	30-Sep-16		Achieved	(Q1 2016/17) - The possibility of expanding the insurance service has been explored with both Uttlesford and other Essex districts but unfortunately all those contacted are not interested in changing their arrangements at this time. (Q2 2016/17) – As per Q1.
9) Implement an integrated HR/Payroll IT system jointly with at least one other authority.	Resources	31-Mar-17		On Target	(Q1 2016/17) - Implementation underway with Braintree & Colchester councils, with these sites going live first. The target for Epping to go live with the new system is December 2016. (Q1 2016/17) – The implementation is proceeding in line with the timetable and the system is still expected to go live in December 2016.
10) Evaluate possibility of shared service as part of Debt Working Party.	Resources	30-Sep-16		Under Control	(Q1 2016/17) - The Working Party continues to meet and reports back to Management Board on potential improvements and alterations to the processes of debt recovery. (Q2 2016/17) – As per Q1.
11) Provide HR/payroll services to at least one other authority	Resources	31-Mar-17		Pending	(Q1 2016/17) - The primary focus is currently the implementation of the new system - see item 9 above.

					(Q2 2016/17) – As per Q1 – the system needs to be in place before we can offer it to others.
12) Evaluate possibility of shared service as part of Scanning Working Party	Resources	30-Sep-16		Under Control	(Q1 2016/17) - The Working Party has been established with a project charter and meetings have taken place as part of the discovery phase. (Q2 2016/17) – The discovery phase is continuing and changes have already been made to make several processes more efficient.
13) Identify additional Council services that may benefit from a shared provision with other organisations	Management Board	31-Mar-17		On Target	(Q1 2016/17) Good progress made with audit. Opportunities being discussed with West Essex Chief Executives. (Q2 2016/17) - Good progress made with audit. Opportunities being discussed with West Essex Chief Executives.

Aim (ii) To ensure that the Council has a sound and approved Local Plan and commences its subsequent delivery

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

Action	Lead Directorates	Target Date	Status	Progress
1) Continue with the Council's apprenticeship scheme for the district's young people, providing sustainable employment opportunities.	Resources	30-Sep-16	Under Control	(Q1 2016/17) The cohort recruited in 2015 continues to make good progress with their apprenticeships. A full intake will occur again in 2017. For 2016 the focus is on the recruitment of a new graduate trainee. (Q2 2016/17) Despite several attempts we were unable to recruit a new graduate trainee. The current apprentices continue to make good progress and preparations are underway to expand the programme to meet the requirements of the Apprenticeship Levy from April 2017

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

Key Objective (iii)(b) To utilise modern technology to enable Council officers and members to work more effectively, in order to provide enhanced services to customers and make Council services and information easier to access.

Action	Lead Directorate s	Target Date	Status	Progress
4) Continue the implementation of the Council's ICT Strategy, with the completion of the following key projects	Resources	31-Mar-17	On Target	(Q1 2016/17) Implementation continues and is on target. An update report was presented to the Resources Select Committee in April. (Q2 2016/17) Good progress continues to be made and the capital bid for 2017/18 will be presented to Cabinet on 12 October.
5) Free up computer suite 1 for re-use as office accommodation.	Resources	31-Mar-17	On Target	(Q1 2016/17) On hold pending the accommodation review and is awaiting works to fully decommission. (Q2 2016/17) The computer suite is free for alternative users but will not be allocated or refurbished until the accommodation review has been completed.



SCRUTINY



Epping Forest District Council

Report to the Resources Select Committee

Date of meeting: 6 December 2016

Subject: Sickness Absence

Officer contact for further information: Paula Maginnis
(01992 564536)

Committee Secretary: Adrian Henry (01992 564246)

Recommendations/Decisions Required:

That the Committee notes the report on sickness absence.

Executive Summary

This report provides information on the Council's absence figures for Q1 and Q2, 2016/2017; it includes absence figures by Directorate, the number of employees who have met the trigger level, those who have more than 4 weeks absence and the reasons for absence.

The Council's target for sickness absence under RES001 for 2016/2017 is an average of 7.5 days per employee. The current outturn figure for the two quarters is an average of 2.98 days, which is below the target of 3.64 days.

During Q1, 4.9% of employees met the trigger levels or above, 14.5% had sickness absence but did not meet the triggers and 80.6% had no absence. During Q2, 4.5% of employees met the trigger levels or above, 10.8% had sickness absence but did not meet the trigger levels and 84.7% had no absence.

Currently, under the Council's Managing Absence Policy there are trigger levels for initiating management action in cases of excessive sickness absence. These are:

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

Reasons for Proposed Decision

To enable members to discuss the Council's absence figures and suggest proposals to improve them.

Other Options for Action

For future reports the Committee may wish to include other information or receive fewer or no report to future meetings.

Report:

Introduction

1. The latest figures published by the Chartered Institute of Personnel and Development (CIPD) for 2016 show that the average number of days taken as sickness absence across all sectors is 6.3 days (2 days less than 2015). In public services the figure is 8.5 days and

5.2 days in private sector services. In local government the figure is an average of 9.9 days. Currently, the Council is performing well against the national figures, both in terms of the 2015/16 outturn figure (7.99 days) and the continuing improvement into Q1 and Q2 of this year.

2. Under the Council's Managing Absence Policy there are trigger levels for initiating management action in cases of excessive sickness absence. These are:
 - (i) during any 'rolling' twelve-month period an employee has had 5 or more separate occasions of absence; or
 - (ii) during any 'rolling' twelve-month period an employee has had at least 8 working days of any combination of un/self certificated, or medically certificated absences.
3. In addition to the above a manager should consider referring an employee to Occupational Health when an employee has been absent from work for at least one month if there is no estimate when they will be fit to return, or if this is unlikely to be within a reasonable period.

Quarterly Figures 2012/2013 – 2016/2017

4. The KPI target for sickness absence has remained at 7.5 days for 2016/17. The Council, so far this year, is below target for both quarters.
5. Table 1 below shows the absence figures for each quarter since 2012/2013.

	Q1	Q2	Q3	Q4	Outturn	Target
2016/2017	1.5	1.48	-	-	-	7.5
2015/2016	2.02	1.86	1.69	2.42	7.99	7
2014/2015	2.03	2.18	2.30	2.69	9.20	7
2013/2014	1.69	1.36	1.78	2.18	7.01	7.25
2012/2013	1.6	1.78	1.83	1.78	6.99	7.5

Table 1

Directorate Figures 2016/2017

6. Table 2 shows the average number of days lost per employee in each Directorate. Only Neighbourhoods were above the target average of 1.90 days in Q1. In Q2 Communities were marginally above the target average of 1.74 days.

Directorate	Ave FTE	Average Number of Days Absence 2016/2017				Total Ave No of Days 2016/17
		Q1	Q2	Q3	Q4	
Communities	215.43	1.3	1.8	-	-	-
Governance	92.67	0.9	1.0	-	-	-
Neighbourhoods	144.72	2.8	0.9	-	-	-
Resources	150.75	1	1.2	-	-	-

Table 2

Long Term Absence 2013/2014 – 2016/2017

7. For this purpose long term absence has been defined as 4 weeks or over. During the year there was the following number of employees on long term absence:

	Q1	Q2	Q3	Q4	Total Average*
2016/2017	8	8	-	-	
2015/2016	12	14	7	17	12.5
2014/2015	15	16	21	19	17.75
2013/2014	10	8	11	8	9.25

Table 3

(*This figure will be used as there could be the same employee in more than one quarter)

8. There continues to be a decrease in the number of long term absence cases during 2016/2017 since 2014/2015. In Q2 (2016/17) this decrease was substantial, nearly by half compared to the same quarter last year. The reasons for long term absences during 2016/2017 are set out in table 4.

Reason for long term absence	No of employees Q1	No of employees Q2	No of employees Q3	No of employees Q4
Non work related stress	1	1	-	-
Heart	2	1	-	-
Cancer	0	1	-	-
Other musculoskeletal	3	3	-	-
Genitourinary; menstrual problems etc	1	2	-	-
Gastro	1	0	-	-

Table 4

9. All of the long term sickness employees, in both quarters, had one continuous period of absence, with the exception of one employee in Q1 who had 4 occasions and another who had 2. Table 5 provides further detail on the outcome of individual long term cases.

2015/16 Quarter	Resigned	Return to work	Warning	Dismissed	Redundancy	Still Absent	Ill-Health Retirement	Phased Return/ Redeploy
Q1	0	4	0	0	0	3	0	1
Q2	0	3	0	0	0	3	0	2
Q3	-	-	-	-	-	-	-	-
Q4	-	-	-	-	-	-	-	-

Table 5

10. Of those who recorded absence, the breakdown of days lost to long term absence, those who met the trigger level and those below the trigger level are as follows;

Quarter	Long Term	Met Trigger	Under Trigger
Q1	4.9%	14.5%	80.6%
Q2	4.5%	10.8%	84.7%

Table 6

Reasons for Absence

11. Appendix 1 shows the reasons for absence, including the number of days lost and number of employees for each reason in each quarter.
12. In comparison with Quarters 1 and 2 in 2015/16 the largest increases of the number of days taken are for other musculoskeletal problems, infections and genitourinary/menstrual problems. The largest decreases can be seen with gastro illnesses, back and heart conditions.
13. The absence reasons with the largest increases in the number of days between Q1 – Q2 was for heart, non-work related stress and genitourinary/menstrual problems.
14. The largest decrease in the average number of days per employee over Q1 – Q2 was for other musculoskeletal problems and back problems.

Numbers of Absent Staff

15. Table 7 shows that there were relatively consistent numbers of staff who had no absence and those that had absence during Q1/Q2. Over two thirds of staff had no absence which has been quite consistent over a number of years.

Quarter (Based on 670 headcount)	Staff with no absence	Staff with 7 days or less	Staff with 8 days or more
1 – 2016/2017	75.4% (505)	19.8% (133)	4.8% (32)
2 – 2016/2017	73.7% (494)	22.2% (149)	4.1% (27)
3 – 2016/2017	-	-	-
4 – 2016/2017	-	-	-
Quarter (Based on 670 headcount)	Staff with no absence	Staff with 7 days or less	Staff with 8 days or more
1 – 2015/2016	73.6% (493)	22.1% (148)	4.3% (29)
2 – 2015/2016	71.8% (481)	24.2% (162)	4% (27)
3 – 2015/2016	68.4% (458)	27.9% (187)	3.7% (25)
4 – 2015/2016	61% (409)	35% (234)	4% (27)

Table 7

Age

16. At the last Resources Select Committee members requested further information regarding sickness absence and the Council's age profile. Below is a table showing the total number of staff, numbers of those recorded as sick and the number of days taken for Q1 and Q2 within age bandings.

Age Banding	16-24	25-34	35-44	45-54	55-64	65+
Total number of employees	38	85	99	214	206	28
Number of employees absent	16	36	43	73	76	10
Total number of days taken	40	155	260	452	724	74
Average number of days	2.5	4.3	6	6.2	9.5	7.4

Table 8

17. The age banding with the highest absence is 55 – 64 which also has the highest average number of days taken.

Performance Indicator 2016/17 - Action Plan

18. The current Performance Indicator action plan includes a number of improvements, shown below along with progress.

Improvement Action	Target Dates	Key Measures/Milestones	Comments
HR to further develop and improve sickness information given to Directors, Assistant Directors and Managers.	31 March 2017	Increased awareness of sickness absence within Directorates and individual service areas. Employees meeting one or both trigger levels are managed in a timely and appropriate way.	Completed. HR Officers working closely with Assistant Directors and managers. Leadership Team reminded (Nov 16) of the importance of ensuring all sickness absence is recorded
An article on the Council's sickness absence position will be published in District Lines.	December 2016	Employees are informed of the Council's sickness absence figures.	Completed. Will provide information again at the end of Q4.

Conclusion

19. There has been a steady improvement in the quarterly figures which has continued from the last reporting year. It seems that the high outturn figure recorded in 2014/15 of 9.2 days was a one off and improvement has been steady in subsequent years. In addition the number of mental health issues recorded in 2014/15 has reduced significantly. Last year saw an increase in the number of musculoskeletal cases which has improved but continues to be the reason for the highest number of days taken.

20. The number of long term sickness cases continues to decrease.

21. The age band 55 – 64 records the highest number of days absent and has the highest average number of days taken. This is followed by the age bracket 65 and above.

Resource implications:

N/A

Legal and Governance Implications

N/A

Safer, Cleaner and Greener Implications

N/A

Consultation Undertaken

N/A

Background Papers

N/A

Risk Management

Failure to manage sickness absence results in loss productivity and if it is significantly high could adversely affect the reputation of the authority.

Reasons for Absence

2016 – 2017 Q1 and Q2

Appendix 1

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Report to the Resources Select Committee



**Epping Forest
District Council**

Date of meeting: 6 December 2016

Portfolio: Finance

Subject: Invest to Save Update

Officer contact for further information: Bob Palmer – (01992 – 564279)

Democratic Services Officer: Adrian Hendry - (01992 – 564246)

Recommendations/Decisions Required:

To note the update on the various schemes funded through Invest to Save.

Executive Summary:

In setting the budget for 2015/16 Council decided that, as the balance on the General Fund Reserve exceeded the minimum requirement and further savings were required, £0.5 million should be transferred from the General Fund Reserve into an Invest to Save earmarked reserve. This was subsequently topped up with an additional £154,000 during the current year. It was intended that this earmarked reserve would be used to finance schemes that would reduce the Continuing Services Budget (CSB) in future years.

When the Finance and Performance Management Cabinet Committee met in June a report was requested to update Members on the progress of the approved schemes. A detailed appendix is attached setting out dates and amounts of allocations with comments on each scheme. There is still £219,000 available in the fund, although a proposal to use £40,000 to create three new car parks is being considered by Cabinet on 3 November. This report went to the FPMCC meeting on 10 November 2016.

Reasons for Proposed Decisions:

To comply with a request from this Committee.

Other Options for Action:

Members could ask for additional information on individual schemes or suggest additional or alternative uses for the Invest to Save Fund.

Report:

1. The Medium Term Financial Strategy (MTFS) approved by Council in February 2015 included CSB reductions of £1,089,000 for the revised 2014/15 estimates and £573,000 for 2015/16. Despite these significant savings it was anticipated that further reductions would be required of £250,000 in 2016/17 and £400,000 in 2017/18. The MTFS also predicted that at the end of 2018/19 the balance on the General Fund Reserve would still comfortably exceed the minimum requirement set by Members. Given the adequacy of reserves and the need for savings, it was felt that the establishment of an Invest to Save Fund may help generate some new and creative ideas to deliver services differently or generate income.

2. Prior to the approval of the 2016/17 budget by Council in February 2016 a total of six schemes had been approved for Invest to Save funding and £309,000 of the fund balance of

£500,000 had been allocated. A further three allocations were made by the March and April Cabinet meetings, which included the accommodation review and work on the future funding and structure of the museums service, these reduced the balance of unallocated funds to £92,000. As the fund had proved useful in generating savings schemes, Members agreed a top up of £154,000 in closing the 2015/16 accounts.

3. The most recent business cases were considered by the FPM Cabinet Committee in June and approval was given for some capital works at North Weald Airfield to extend a vehicle compound. A structural survey of the current main reception area and a programme management system for prototype activities were also approved.

4. The following appendix sets out how much has been allocated to each scheme, the dates of approval and comments on progress to date.

Resource Implications: Most of the Invest to Save Fund schemes are likely to deliver the savings that were predicted when they were approved. There is an unallocated balance of £219,000 currently available, although Cabinet are considering a proposal to allocate £40,000 on 3 November.

Legal and Governance Implications: None.

Safer, Cleaner, Greener Implications: None.

Consultation Undertaken: None.

Background Papers: None.

Impact Assessments:

Risk Management

There is a risk that if progress is not monitored the schemes might not be implemented and the opportunities not fully realised.

Due Regard Record

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

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

Date / Name	Summary of equality analysis
28/10/16	There are no equality implications arising from the recommendation of this report.
Director of Resources	Relevant implications arising from individual schemes to achieve net savings will have been identified and considered by the responsible Director.

<u>Scheme</u>	Amount £	Approved F&PMCC	Approved Cabinet	<u>Comments</u>
Mowing equipment etc.	63,000	17/09/2015	08/10/2015	The equipment has been purchased. The projected saving was £4,500 p/a, with some income generation also possible. An actual saving of £4,500 is now predicted for 2016/17.
Change car park lighting to LED	100,000	17/09/2015	08/10/2015	Expenditure was profiled with £50,000 due to be spent in both 2016/17 and 2017/18. A saving of £8,000 had been predicted for 2016/17, with an annual saving of £16,000 when fully operational. Spending is now predicted to be £30,000 in 2016/17 and £70,000 in 2017/18, with a saving of £4,000 in 2016/17.
Cash kiosks	30,000	n/a	05/11/2015	Project delayed by other priorities and issues with supplier. Kiosks went live 3 months later than originally planned. This will reduce the saving in 2016/17 from the forecast £15,170 to £10,115. The full year saving of £20,230 will still be achieved for 2017/18.
Parking service evaluation	15,000 15,000	12/11/2015 n/a	03/12/2015 03/03/2016	The initial feasibility work highlighted the potential to achieve a significant saving and so additional funds were allocated to support a procurement. A new contractor should be in place from 01/04/2017 and the financial benefit will be confirmed when the procurement concludes later this year.
Rental loans & deposits	90,000	12/11/2015	03/12/2015 04/02/2016	Funding was approved initially subject to a further report in February. Allocation of £90,000 is £30,000 p/a for 3 years. Difficulty has been experienced implementing this scheme and no funds have yet been used. A report on options going forward is scheduled for the Communities Select Committee in January.
Aerial cameras	5,000	n/a	11/01/2016	Equipment purchased and procedure manual completed. It is anticipated that all CAA requirements will be met and flying tests passed early in November.
Museum resilience	20,000	n/a	03/03/2016	This funding was allocated to allow work to be done with Chelmsford and Broxbourne to bid for Arts Council funding. The bid was successful and secured £270,000 of funding.
carry forward	338,000			

Invest to Save Monitoring

Appendix 1

	Amount £	Approved F&PMCC	Approved Cabinet	
brought forward	338,000			
Accommodation Review	50,000	n/a	07/04/2016	Soft market testing had suggested a figure of £50,000 but the procurement was based on both price and quality and the winning tender was £64,000. A draft report has been prepared but Members have requested some additional work.
	14,000	n/a	09/06/2016	
Airfield compound	12,000	16/06/2016	21/07/2016	update not yet due
Structural survey	15,000	16/06/2016	21/07/2016	update not yet due
Programme management	6,000	16/06/2016	21/07/2016	update not yet due
Allocated as at 21/07/16	<u>435,000</u>			
	£			
2015/16 budget	500,000			
Additional top up	154,000	16/06/2016	21/07/2016	
Total fund	<u>654,000</u>			
Less allocated	435,000			
Balance available	<u>219,000</u>			
			<u>NB</u>	A report is going to Cabinet on 3 November seeking £40,000 of Invest to Save funding to create three new car parks.

Report to the Resources Select Committee



**Epping Forest
District Council**

Date of meeting: 6 December 2016

Portfolio: Finance

Subject: Draft General Fund CSB, DDF and ITS lists and Savings Update

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

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

Recommendations

To note the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) schedules

Executive Summary

The report provides the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) Schedules for 2017/18.

This report has been to the Finance and Performance Management Cabinet Committee on 10 November 2016.

Reasons for proposed action

Members are asked to note the first draft of these schedules and make comments as appropriate.

Other options for action

No other options applicable.

Report

1. The Financial Issues Paper was considered by this Committee at its meeting in October. The report highlighted a number of financial uncertainties and risks facing the Authority including the reductions in Central government funding, Retention of Business Rates, Welfare reform and the Leisure Management Contract Renewal.

2. The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that savings of around £500,000 were required over the forecast period. The savings required in 2017/18 were identified at £250,000 after savings of £464,000 already identified had been taken into account. It was noted though that there was more uncertainty than usual and little has changed since then.

3. Since July the Council has accepted the Governments 4 year funding agreement as set out last December and the relevant paperwork was provided to the DCLG last month. There is still a further, more detailed consultation outstanding regarding Business rates retention and the Leisure Management Contract process is progressing with a report to Cabinet due in December. The lists currently show net CSB savings of £730,000 in 2017/18, this though still assumes a saving of £250,000 from the new leisure management contract which is somewhat prudent as the final savings are expected to be rather higher. However there are two other items, the Local Plan and the Waste Management Contract that are

expected to require additional resources, albeit these will be a mixture of DDF and CSB.

4. Total CSB expenditure in 2015/16 was £2.9 million higher than the Original budget, but this was entirely down to the decision to fund Capital Expenditure of £3 million from the General Fund balance. This decision was made because of the significant General Fund balance held by the Council and the comments made by Central Government around 'excessive' balances held by local authorities. There were as ever salary savings due to vacancies and this trend has continued into 2016/17.

5. Previous years have seen regular underspends and the exercise to remove such budgets has generally been successful however there are still one or two areas that require further work.

6. There are some CSB budgets that either have a one off element within them or in some cases are budgets where there is a degree of uncertainty around whether they will be spent or not. In both cases treating an appropriate element as DDF rather than CSB should make managing those budgets easier and give a degree of flexibility.

7. The schedules of CSB growth/savings, DDF and ITS expenditure are attached and these are at Annexes 1, 2 and 3. Work is on-going on these lists and this represents the position so far. Since the programme for 2016/17 was set there has been a significant amount of re-phasing carried out however the main addition relates to the local plan which was the subject of a Cabinet report in July.

8. There are a number of areas where further work is required before figures to be included within the budget can be finalised. Clearly the emphasis in this budget cycle will again need to be on CSB savings rather than growth but there are some areas as previously mentioned where growth is inevitable. The figures generally need to be viewed in the context of this being quite early in the budget preparation process and will clearly need to be revisited over the next two months or so as the budget comes together.

Consultations Undertaken

This is the first draft of the CSB, DDF and ITS schedules. Consultations with spending officers regarding their budgets are ongoing at the moment but apart from this, further consultation will take place later in the budget cycle.

Resource Implications

The schedules represent potential additions and reductions to the budget depending on decisions made during the budget process.

Legal and Governance Implications

The preparation of budgets well in advance of the financial year to which they apply, enable sound financial planning to take place. They subsequently provide a basis against which financial monitoring can take place during the year in question.

Safer, Cleaner, Greener Implications

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

Background Papers

Various budget working papers held in Accountancy.

Impact Assessments

Risk Management

The setting of the budget has an impact on all areas of the Council. There is a risk that the budget might be set at an unaffordable level. However, setting guidelines early in the process means that the level of budget that is acceptable is known in advance.

Equality and Diversity:

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

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

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

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

Due Regard Record

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

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

Date / Name	Summary of equality analysis
7/11/16	There are no equality implications arising from the recommendation of this report.
Assistant Director of Resources	The report contains growth and savings proposed for the Revised 2016/17 and Original 2017/18 budget. The most significant items will have been the subject of a Cabinet report which would have considered any equality implications as part of that report.

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CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Estimate 2016/17 £000's	Revised 2016/17 £000's	Estimate 2017/18 £000's	Estimate 2018/19 £000's	Estimate 2019/20 £000's	Estimate 2020/21 £000's
Chief Executive	Corporate Policy Making	Flexible Working and Accomodation Review	(100)					
	Total Chief Executive		(100)	0	0	0	0	0
Communitites	Affordable Housing	Legal fees B3Living	(5)	(5)				
	Community Arts Programme	Additional Income (Savings made in expenditure)	(4)	(4)				
	Safeguarding	Safeguarding Officers	50	51				
	Safeguarding	Recharge to HRA	(31)	(31)				
	Total Communities		10	11	0	0	0	0
Governance	Building Control	Fees & Charges		(25)				
	Building Control	Ring Fenced Account		25				
	Conservation Policy	Bring Listed Building Service in house		(6)				
	Development Control	Fees & Charges	(75)	(75)				
	Development Control	Pre Application Consultation Fees	(10)	(10)				
	Development Control Group	Conservation Officer		20	7			
	Governance Admin	Training	9	9				
	Internal Audit	Corporate Fraud Team	10	10				
	Internal Audit	Shared Service (GF element)		(29)				
	Members Allowances	Increase in Basic Allowances	50	41	9			
	Total Governance		(16)	(40)	16	0	0	0

Neighbourhoods	Animal Welfare	Budget Savings	(16)	(16)			
	Countrycare	Additional Income	(12)	0			
	Engineering, Drainage & Water	New Post	27	37			
	Grounds Maintenance	Service Review (GF element)		(15)			
	Land and Property	Oakwood Hill Units	(8)	(8)			
	Land and Property	Greenyards	(2)	(2)			
	Land and Property	Epping Forest Shopping Park			(490)	(1,450)	(220)
	Land and Property	David Lloyd Centre		(25)	(25)		
	Leisure Management	Savings from New Contract	(75)	0	(250)		
	Off Street Parking	Parking Fee Increases	(31)	(11)			
	Off Street Parking	New Chargeable Parking Spaces			(11)	(4)	
	Off Street Parking	Machine Maintenance and collections	5	5	8		
	Planning Policy Group	Increase in Staffing	75	75			
	Waste Management	Inter Authority Agreement, reduced ECC Income	19	19			
	Waste Management	Additional Staffing	31	26			
	Neighbourhoods	Savings		(2)			
Total Neighbourhoods			13	83	(768)	(1,454)	(220)
							0

Resources	Cashiers		(15)	(14)	(7)		
	Civic Offices	Solar Panel Energy Saving	(3)	(4)			
	Finance Miscellaneous	Car Leasing (excluding HRA)	(15)	(15)	(24)		
	Housing Benefits Administration	Admin Reductions	73	73			
	Housing Benefits	Non Hra Rent Rebates	7	65			
	Human Resources	Apprenticeship Levy (Net)			69		
	ICT	Printer Migration		(4)	(7)		
	Revenues	Restructure	(9)	(9)			
	Resources	Savings		(4)	(9)		
	Total Resources		38	88	22	0	0
Other Items	Investment Interest	Reduction due to shops transfer/use of balances	100	100			
	New Homes Bonus				515		
	All Directorates	Additional Employers National Insurance	450	433			
	Pensions	Deficit Payments	43	43		22	31
	Total CSB		538	718	(730)	(917)	(189)
						0	

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	B/F from 2015/16	Revised	Estimate	Estimate	Estimate	Estimate
			2016/17 £000's	2016/17 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
Chief Executive	Chief Executive Policy Group	Transformation Staffing	77		78	90	59		
	Transformation	Transformation Projects			100				
	Total Chief Executive		77	0	178	90	59	0	0
Communitites	Communities	Externally Funded Projects	86		128	110			
	Communities	Externally Funded Projects	(86)		(128)	(110)			
	Communities	Museum Store License (Lease)	17		17				
	Homelessness	Legal Challenges	20		20	20			
	Private Sector Housing	Landlord Accreditation Scheme	1	1	1	1			
	Safer Communities	Analysts post	34	23	15				
	Safer Communities	Analysts post	(30)						
	Safer Communities	CCTV Trainee Assistant post	19		9	20	20	8	
	Youth Council	Enabling Fund	8		8				
	Total Communitites		69	24	70	41	20	8	0
Governance	Building Control	Fees & Charges			(40)				
	Building Control	Ringfenced Account			40				
	Development Control	Pre Application Consultation Fees	(10)		(27)	(10)			
	Development Control	Fees & Charges	(75)		(175)	(100)			
	Development Control Group	Trainee Contaminated Land Officer	22		15	23	10		
	Development Control Group	Trainee Planning Officer	45		24	45	27		
	Development Management	Administrative Assistant	10		9	13			
	Development Management	Additional Temporary staffing	27		7				
	Development Management	Planning Validation Officer				26			
	Development Management	Document Scanning	68	11	79	113			
	Building Control	Ringfenced Account				(40)			
	Electoral Registration	Individual Registration Costs		62	62				
	Legal Services	Transformation Programme	27		17	10			
	Planning Appeals	Contingency for Appeals	45	(3)	10	41	36		
	Tree Preservation & Lanscape	Technical Assistant - Conservation	11		7	16			
	Total Governance		170	70	28	137	73	0	0

Neighbourhoods	Contaminated Land & Water Quality	Contaminated land investigations	64	35	79	50
	Countryside	BRIE - SLA	4	4	4	
	Economic Development	Economic Development Strategy	4		8	
	Economic Development	Tourism Task Force	35	35		
	Economic Development	Town Centres Support	50	42	40	52
	Economic Development	Portas Funding	9		9	
	Asset Rationalisation	Council Asset Rationalisation	27	82	109	
	Asset Rationalisation	New Development Project Officer	16		16	
	Food Safety	Inspections		4	4	
	Forward Planning	Local Plan	552	139	1,172	268
	Forward Planning	Neighbourhood Planning		9	9	
	Highways General Fund	Contribution to ECC	50		50	
	Off street parking	Payment to NEPP for redundancies		20		20
	Parks & Grounds	Open Spaces - Tree Planting	10			10
	Parks & Grounds	Survey of River Roding erosion		15		15
	Waste Management	Replacement Bins	53	(43)	10	
	Waste Management	DCLG recycling reward scheme		268	134	134
	Neighbourhoods	Salary Savings to fund restructure		30	30	
Total Neighbourhoods			874	566	1,657	590
					234	0

Resources	Accounts Payable	Implementation of E-Invoicing	2	3	5				
	Building Maintenance - Non HRA	Planned Building Maintenance Programme	110	73	103	104	99	152	122
	Council Tax Benefits	Previous Year Clawback	(15)		(17)				
	Council Tax Collection	Collection Investment	(47)		(47)	(47)			
	Council Tax Collection	Local Council Tax New Burdens Expenditure - E-Services	108		108				
	Council Tax Collection	Technical Agreement Contributions	(316)		(316)	(316)			
	Housing Benefits Administration	Hardship & Compliance	(82)		(80)	(80)			
	Housing Benefits Administration	Benefits Specific Grants - Online Forms		17	17				
	Housing Benefits Administration	Benefits Specific Grants - Data Matching	60		60				
	Housing Benefits Administration	Benefits Specific Grants - Unallocated	18		18	20			
	Housing Benefits	Hardship & Compliance - Benefits Officers	62		27	58	58	43	
	Housing Benefits	Benefits Specific Grants - Furniture		2	2				
	Revenues	Temporary Additional Staffing	234	15	149	207	104		
	Sundry Non Distributable Costs	Emergency Premises Works	8	5	4	9			
	Total Resources		143	115	33	(45)	261	195	122
	Total Service Specific District Development Fund		1,333	775	1,966	813	647	203	122
	Transitional Grant		(54)		(54)	(53)			
	New Homes Bonus		(581)		(581)	(62)	148		
	Pensions	Deficit Payments				(8)			
		698	775	1,331	690	795	203	122	

INVEST TO SAVE

Chief Executive

Customer Services

Software prototype (C)

6

Communities

Homelessness
Museum Resilience

Rental Loans Scheme (R)
Contribution

30

30

30

30

Neighbourhoods

Car Parking
Car Parking
Car Parking
Grounds Maintenance
North Weald Airfield

Replacement LED lighting (C)
Termination of contract with NEPP (R)
New Car Parks (C)
Training (R)
Extension to Vehicle Compound (C)

50

11

40

26

60

40

2

2

12

52

11

80

100

0

0

0

Resources

Civic Offices
Civic Offices
Civic Offices
Cashiers
ICT

Alterations to cashiers hall (R)
Accomodation reveiw (R)
Reception area structural survey (C)
Two payment kiosks (C)
Ariel Camera System (R)

10

10

64

15

20

20

1

1

30

1

110

0

0

0

0

112

12

246

130

30

0

0

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Report to the Resources Select Committee

Report reference:
Date of meeting: 6 December 2016



**Epping Forest
District Council**

Portfolio: Finance

Subject: Quarterly Financial Monitoring

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

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

Recommendations/Decisions Required:

That the Committee note the revenue and capital financial monitoring report for the second quarter of 2016/17;

Executive Summary

The report provides a comparison between the original estimate for the period ended 30 September 2016 and the actual expenditure or income as applicable.

Reasons for proposed decision

To note the second quarter financial monitoring report for 2016/17.

Other options for action

No other options available.

Report:

1. The Committee has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This is the second quarterly report for 2016/17 and covers the period from 1 April 2016 to 30 September 2016. The reports are presented based on which directorate is responsible for delivering the services to which the budgets relate and the budgets themselves are the Original Estimate.
2. Salaries monitoring data is presented as well as it represents a large proportion of the authorities expenditure and is an area where historically large under spends have been seen.

Revenue Budgets (Annex 1 – 6)

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £338,000 or 3%. At the half year stage last year the underspend was 2.7%.
4. Resources is showing the largest underspend of £121,000, this relates to Revenues and Housing Benefits. Neighbourhoods is showing an underspend of £117,000 relating mainly to Forward Planning and Grounds Maintenance and the £83,000 on Communities is

related to the Housing Works Unit. Variances on Governance and the Office of the Chief Executive are less significant.

5. The investment interest is lower than the budget due to lower interest rates but this isn't entirely unexpected. There is little speculation now about when rates might go up more about whether they will go lower still or even negative.
6. Development Control income at Month 6 is continuing the recent upward trend. Fees and charges were £151,000 higher than the budget to date and pre-application charges are £15,000 higher. The revised budget is being prepared which will include an increase here and although some may well be DDF there should also be an increase in income to the CSB.
7. Building Control income was £56,000 higher than the budgeted figure at the end of the second quarter. Also the ring-fenced account is expected to show an improved position on that budgeted. There is a lot of scanning work required to Building Control files and it is proposed to use some of the accumulated surplus to finance this work over the next few years.
8. Although Public Hire licence income and other licensing is above expectations, the Public Hire figures shown include £25,000 relating to future years so in reality income relating to 2016/17 is £4,000 down.
9. Income from MOT's carried out by Fleet Operations is £27,000 below expectations. Income has been affected by the uncertainty around the relocation to Oakwood Hill. The account itself was budgeted to be in deficit by £4,000, due to salary savings the current overall deficit is at that level.
10. Car Parking income was £3,000 above the estimate as at month 6. There are still some delays being experienced with income receipt. Income received in October relating to September was about £17,000.
11. Local Land Charge income is £3,000 below expectations. There have been fewer searches undertaken in recent months so the position will need to be monitored over the next few months to see whether this shortfall appears to be on going.
12. Expenditure and income relating to Bed and Breakfast placements is on the increase. Most are eligible for Housing Benefit and although some will be re-imbursed by the Department for Work and Pensions it is only around 50%, leaving a similar amount to be funded from the General Fund. Growth of £36,000 has been allowed for within the 2016/17 budget when compared to the Original 2015/16 budget. A further increase of £58,000 is estimated to be needed in this year.
13. The actual for Recycling income is low when compared to expectations however the outstanding income for waste service enhancement and recycling credit income were all received in the first half of October.
14. An overspend is showing on Recycling expenditure. This is due in part to collections from additional properties and payments made to the contractor to compensate for the fall in income from the sale of recyclable materials. A report is due to be presented to Cabinet in December regarding a number of issues surrounding the Waste Management service.
15. The Housing Repairs Fund shows an underspend of £420,000. There are underspends showing on both Planned Maintenance and Voids work. There is also a variance on HRA Special Services which relate partly to grounds maintenance and sheltered units.
16. Income from Development Control, Building Control and probably Car Parking look likely to exceed the budget. Others are less certain. The intention to publicise the MOT service should hopefully improve the income situation there but it will probably take a few months

for this to have much of an effect.

Business Rates

17. This is the fourth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council.
18. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash.
19. The resources available from Business Rates for funding purposes is set in the January preceding the financial year in question. Once these estimates are set the funding available for the year is fixed. Any variation arising from changes to the rating list or provision for appeals, whilst affecting funding do not do so until future years. For 2016/17 the funding retained by the authority after allowing for the Collection Fund deficit from 2015/16 is £3,435,000. This exceeded the government baseline of £3,050,000 by some £385,000. The actual position for 2016/17 will not be determined until May 2017.
20. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances. At the end of September the total collected was £18,978,332 and payments out were £17,273,492, meaning the Council was holding £1,704,840 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

Capital Budgets (Annex 7 - 11)

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the six months to 30 September. There is a commentary on each item highlighting the scheme progress.
22. The full year budget for comparison purposes is the Original Budget updated for amounts brought forward from 2015/16 as part of the Capital Outturn report.
23. The Capital update report is due to be considered by Cabinet in December and there will be a number of amendments to the programme such as expenditure re-phasing and one or two supplementary items previously agreed being formally added to the programme.

Major Capital Schemes (Annex 12)

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

Conclusion

25. With regard to revenue, income is generally up on expectations and expenditure down. The increased income levels are very much welcome, in particular Development and Building Control income. Expenditure being below budget is not surprising as expenditure is usually heaviest toward the end of the financial year.
26. The Committee is asked to note the position on both revenue and capital budgets as at Month 6.

Consultations Undertaken

This report was presented to the Finance and Performance Management Cabinet Committee in November, and an update will be provided to cover any additional comments or information from that Committee.

Resource Implications

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

Legal and Governance Implications

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

Safer, Cleaner, Greener Implications

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

Background Papers

Various budget variance working papers held in Accountancy.

Impact Assessments

Risk Management

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

Due Regard Record

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

Date / Name	Summary of equality analysis
27/10/16 Director of Resources	The purpose of the report is to monitor income and expenditure. It does not propose any change to the use of resources and so has no equalities implications.

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SEPTEMBER 2016 - SALARIES

<u>DIRECTORATE</u>	<u>2016/17</u>			<u>2015/16</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 30/09/16</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 30/09/15</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>(ORIGINAL)</u>	<u>(ORIGINAL)</u>		<u>(ORIGINAL)</u>	<u>(ORIGINAL)</u>
		<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	148	146	1.4	91	91	0.0
RESOURCES *	2,806	2,927	-4.1	2,771	2,885	-4.0
GOVERNANCE *	1,825	1,844	-1.0	1,653	1,673	-1.2
NEIGHBOURHOODS *	2,360	2,477	-4.7	2,226	2,324	-4.2
COMMUNITIES *	3,773	3,856	-2.2	3,611	3,666	-1.5
TOTAL	10,912	11,250	-3.0	10,352	10,639	-2.7

* Agency costs are included in the salaries expenditure.

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

	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual		<u>Comments</u>
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	84	66	86	36	20	30	The increase in the costs this financial year are due to the extension of the museum and its reopening at the end of last financial year. The main costs that have increased are Non Domestic Rates and rental of the unit at Oakwood Hill industrial estate. An overspend of at least the £20,000 currently shown looks likely.
Bed & Breakfast Accommodation	147	63	147	73	84	133	There has been an increase in Bed & Breakfast placement this current financial year. Expenditure levels at month 6 have reached the full year estimated position. This is reflected in the increased income. Any additional costs as a result of an increase in placements falls on Housing Benefit payments on Resources shown on Annex 5.
Grants to Voluntary Groups	93	46	22	56	-24	-52	A 3 year service level agreement was in place until 31st March 2016 which has now ended. Organisations now have to apply for grants on an annual basis. The applications have been slow coming in.
Voluntary Sector Support	170	93	93	93	0	0	No variances.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	150	63	153	76	90	143	This budget relates to Housing Benefits awarded and invoices raised for non eligible charges. The recent increase in Bed & Breakfast placements is now showing here in the form of increased income.
	644	331	501	334			

	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual			<u>Comments</u>
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000		%	
<u>Major income items</u>								
Development Control	928	431	597	490	166		39	Development Control income continues to exceed expectations with the number of planning applications increasing year-on-year.
Building Control Fee Earning	425	219	275	240	56		26	The Building Control service is continuing to grow the Local Authority Building Control Partnership allowing the service to increase its share of the market thus increasing the level of income year-on-year.
Local Land Charges	176	92	86	99	-6		-7	In contrast to the Development Control income above the number of searches carried out by the service have decreased over the past year resulting in a reduction in the income received. It is difficult to predict the number of searches the service will receive as it is down to the buoyancy of the housing market.
	1,529	742	958	829				

	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
Major expenditure items:							
Refuse Collection	1,346	477	453	415	-24	-5	The expenditure variance is due to invoicing delays as regards Biffa, offset by variations for extra new properties.
Street Cleansing	1,338	464	443	416	-21	-5	The underspend relates to weedspraying.
Recycling	2,681	807	898	798	91	11	The overspend relates to additional costs incurred relating in part to the prior year. A report is due to come to Cabinet regarding additional finance requirements for the Waste Management service.
Highways General Fund	112	31	19	3	-12	-39	Spending is always lower in the first half of the year, however it is even lower than expected but ahead of last year.
Off Street Parking	552	336	243	299	-93	-28	Maintenance is underspent but is often so at month 6. Payments to NEPP are paid quarterly in advance, however the second quarter was not received until October and paid at the same time as quarter 3.
North Weald Centre	209	120	103	121	-17	-14	Underspend relates to utility costs and maintenance
Land Drainage & Contaminated Land	177	40	23	35	-17	-43	The main area of underspend is Maintenance. The profile takes account of higher spend in the second half of the year and some of the spend is reactive. Expenditure is £12,000 lower than the prior year.
	6,415	2,275	2,182	2,087			

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	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual			Comments
		16/17 Budget £'000	16/17 Actual £'000		15/16 Actual £'000	Budget v Actual		
						£'000	%	
<u>Major expenditure items</u>								
Forward Planning/Local Plan	645	243	237		75	-6	-2	Expenditure is in line with the profiled budget. The current allocation is inadequate to complete the process and a report is coming forward to Cabinet to increase the funding from the DDF.
<u>Contract cost Monitoring</u>								
Leisure Facilities:-								
Loughton Leisure Centre	-244	-81	-64		-47	17	-21	This Budget includes savings from new leisure contract, however this will now commence from 1st April 2017, therefore the budget will need to be revised with the savings now falling into } 2017/18.
Epping Sports Centre	310	103	106		79	3	3	} No major variance.
Waltham Abbey Pool	516	173	175		130	2	1	}
Ongar Sports Centre	294	98	101		78	3	3	}
	876	293	318		240			

DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

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	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
Major income items:							
Refuse Collection	54	27	35	27	8	30	Fees & Charges have increased due to additional bulk waste collections
Recycling	1,509	430	261	270	-169	-39	The income variance is due to recycling credit and service enhancement income expected in September not being received until October.
Off Street Parking	1,345	575	578	519	3	1	Overall income is in line with expectations, last years figure at this point was low due to delays in receiving pay and display income.
North Weald Centre	789	491	498	414	7	1	Income in 2015/16 was lower than the current year due to the difficulties being experienced with the market income at the time.
Public Hire	181	101	122	90	21	21	The income includes 3 and 5 Year licences and around £25,000 therefore relates to future years. 2016/17 Income is slightly below expectations.
Licensing & Registrations	115	51	39	49	-12	-24	The income for Premises Liquor Licenses is down compared to budget and last financial year, 2015/16.
Fleet Operations MOTs	232	116	89	117	-27	-23	The income for MOT's is down in comparison to budget and last financial year. The move from Langston Road has been completed and income has been affected by this. Work needs to be done to improve income levels over the remaining months of the year.
	4,225	1,791	1,622	1,486			

	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual			<u>Comments</u>
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000		%	
<u>Major income items:</u>								
Industrial Estates	1,132	813	821	816	8		1	No major variance, the rents are generally billed in advance and therefore three quarters income is accounted for as at the end of September.
Business Premises - Shops	2,137	1,603	1,616	1,599	14		1	No major variance, again three quarters income is included.
Land & Property	145	44	62	42	18		41	Commission is received from the David Lloyd Centre based on their turnover. Income relating to 2015/16 was received in 2016/17 but was higher than estimated which is the reason for the additional income.
	3,414	2,460	2,499	2,457				

	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual			Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000		%	
<u>Major expenditure items:</u>								
Building Maintenance	586	109	179	115	70		64	Building Maintenance works fluctuate on a daily basis as needs arise. This makes the service difficult to profile, with some high value works being brought forward in plans having a large impact on expenditure.
Information & Communication Technology	950	726	710	701	-16		-2	The budget comprises of the total cost of the councils ICT expenditure including the Switchboard, Mobile Phones and the annual contract costs for all of the major systems in use. With the exception of the second quarter telephone charges not being paid all other expenditure items are in line with the current budget spending profile.
Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates)	82	41	90	71	49		120	The Council is being forced to make more placements in Bed and Breakfast accommodation to meet it's duty to the homeless. Net cost has already passed the full year estimate as a result, however this should improve as subsidy received from the Department for Work and Pensions is still based on the initial claim submitted in March 2016. Payments in line with the recent mid year claim do not get adjusted until November.
Bank & Audit Charges	125	24	25	23	1		0	No Major variances.
	1,743	900	1,004	910				
<u>Major income items:</u>								
Investment Income	378	189	182	252	-7		-4	Investment interest is down £70,000 on the previous year due to lower amounts invested of £5.5million and lower interest rates. During 2016/17 the Shopping Park and St Johns Road developments will reduce balances available for investment further but the exact timing is still not certain.
	378	189	182	252				

	16/17 Full Year Budget £'000	Second Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	276	121	121	112	0	0	No variance
Housing Repairs	6,448	3,098	2,678	2,280	-420	-14	The underspend mainly relates to the responsive, planned and void repairs of the HRA. The budget is profiled evenly across the year, as it is unknown when responsive repairs will arise.
Special Services	1,028	524	356	246	-168	-32	The main areas showing an underspend are various utility costs and grounds maintenance.
	7,752	3,743	3,155	2,638			
<u>Major income items:</u>							
Non-Dwelling Rents	886	438	431	412	-7	-2	No major variances
Gross Dwelling Rent	32,032	16,016	15,879	15,749	-137	-1	The variance between years is due to the annual rents decrease which was 1.0% from April 2016.
	32,918	16,454	16,310	16,161			

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2016/17 DIRECTORATE CAPITAL MONITORING -
COMMUNITIES

Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance			Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual			
				£'000		%	
Bridgeman House	309	0	0	0		0	EFDC are hopeful of purchasing space on the second floor of Bridgeman House, currently owned by Essex County Council. Although the space will be in a fit state, extra works including partition walls & electricals works will need to be completed before the officers in Hemnall Street can move in. Currently it is not expected that the purchase of this space will go through in 2016/17.
Epping Forest Museum Extension & Refurbishment	20	0	-35	-35		0	At present there is a negative sum of £35,000 in the table; this represents the 2.5% retention held by the Council during the 12 months defects period following practical completion of the works. However, it is now anticipated that there will be an overspend on this budget by approximately £12,000 by the year end. This is due to the need for additional works required since the museum opened, including works to the gallery's sliding doors, and electrical system, as well as an upgrade to the alarm system to counteract a fire exit door issue. An additional payment was also requested by the architects, although this was reduced after lengthy negotiations. The increased budgetary requirement will be addressed as part of the Capital Review.
CCTV Systems	213	47	30	-17		-36	Work has progressed well on some projects with new systems having been installed at Town Mead depot and Debden Broadway. However, there are a number of delays which have resulted in the current underspend. There is a delay on the schemes at the Longcroft Rise and Upshire shops, pending a decision on the decommissioning of existing systems. The new cameras in Epping High Street and Roundhills are also behind schedule; the latter having long standing privacy and access issues. Consequently both schemes are expected to slip into 2017/18. Furthermore, the programme of installations in car parks across the district has been held up because it was originally designed to be undertaken in conjunction with the Invest to Save LED lighting scheme, as both schemes use the same mounting columns and power supply. However, issues with the LED lighting scheme have delayed CCTV installations. On the other hand, progress has been made on car parks that do not need additional mounting columns or power supply and two car parks are nearing completion (The Pleasance & Banson's Hill) and work at Traps Hill is due to commence shortly. All carry forwards will be reported in the Capital Review.
Total Housing Estate Parking	371	0	0	0		0	The off-street parking schemes undertaken on council owned land is jointly funded between the HRA and General Fund. The costs for the General Fund proportion will be allocated at the year-end.
Total	913	47	-5				

**2016/17 DIRECTORATE CAPITAL MONITORING -
NEIGHBOURHOODS**

Scheme	16/17 Full Year Budget	Second Quarter		16/17 Variance			Comments
		16/17 Budget	16/17 Actual	Budget Vs Actual			
		£'000	£'000	£'000		%	
Epping Forest Shopping Park	18,276	9,138	449	-8,689		-95	Please see comments on the major schemes schedule.
St Johns Road Development	6,000	3	3	0		0	Approval for the purchase of the land at St John's Road from Essex County Council has now been granted with the expected purchase date being at the end of October. The full budget for the St John's Road Development was increased to £6.75 million after a report was presented and approved by Members. This price no longer includes the transfer of Lindsay House to the County, but instead the Council is looking to sell the property on the open market. This budget currently does not include the cost of stamp duty or capital fees; it is estimated that these costs will amount to approximately £346,000.
Oakwood Hill Depot	703	703	735	32		5	The Oakwood Hill Depot construction has been completed. Due to the need to vacate the Langston Road depot quickly there have been a number of snagging issues, some of which are outside of the original specification. Consequently this scheme is showing a large overspend, and this is expected to rise to over £100,000 once all invoices and additional works have been completed. A report will be submitted to request additional capital allocations once all costs and works have been identified.
Waste Management Equipment	28	0	0	0		0	This budget is in place to fund the acquisition of new bins to properties where bins had previously not been provided, in particular for blocks of flats. There are currently no new blocks identified for 2016/17 and therefore the budget is expected to be carried forward to next year.
Other Schemes	203	42	27	-15		-36	The installation of new pay and display machines in the Council's car parks is nearly complete, with computer links to the banks being the only outstanding works. This is expected to be completed by the end of December and the project overall is expected to come in under budget. The Invest to Save lighting scheme has been delayed. However it is anticipated that trial works at Traps Hill and one other car park (not currently decided) will go ahead in 2016/17 before extending to the rest of the car parks in 2017/18. An additional sum of £25,000 has been supplemented to the ground maintenance scheme to purchase a new mower and trailer from a commuted sum relating to open space land at Tower Road. Expenditure against the original allocation is on target to be spent on new machinery by the end of the financial year. A flood alleviation scheme is being undertaken at Bobbingworth Nature Reserve with the installation of an additional drainage system.
Total	25,210	9,886	1,214				

**2016/17 DIRECTORATE CAPITAL MONITORING -
RESOURCES**

Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance			Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual			
		£'000	£'000	£'000		%	
Upgrade Of Industrial Units	351	0	0	0		0	A specialist roof contractor has examined the condition of the roofs and has produced a report which confirmed that "apart from a few minor issues, including a few cracked sheets, [the roofs] are performing very well and could be expected to have another 5-10 years serviceable life, at least, without the need for major remedial action". Therefore, major repairs works to the industrial units are not expected to be carried out within the next few years and a report to be considered at Cabinet in November suggests redistributing the saving to other projects within the Council's 5-year Planned Maintenance Capital Programme.
Planned Maintenance Programme	836	145	54	-91		-63	Many of the schemes in the Planned Maintenance Programme relating to the Civic Offices have been delayed awaiting the outcome of the Price Waterhouse Cooper report on possible relocation. However, progress has continued on projects outside of the scope of the report. The 5-year Planned Maintenance Programme is awaiting submission to Cabinet in November.
ICT Projects & Other Equipment	403	188	163	-25		-13	The planned ICT schemes are currently progressing well and are on target to be completed by the end of the financial year. Only the security integration scheme and a fraction of the mobile working scheme have been identified as slippage into 2017/18. The installation of two cash kiosks in the cash hall at the Civic Offices is now complete and they are currently in use. However, some additional development software was required and there is a small overspend on this scheme. On the other hand, an allocation of £80,000 was agreed to be pooled with Colchester and Braintree Councils to purchase a new payroll and HR system and, since this was agreed, it has become apparent that the allocation included some revenue costs and the capital budget will be reduced once the split has been identified.
Customer Service Project	15	0	0	0		0	The centralisation of Civic Office customer contact points into the main reception is now subject to a full feasibility design, as per the Invest to Save report to Cabinet on 3 March 2016. A structural survey is required to assess the main reception's ceiling and walls and a full report will be presented to Members at the a future Cabinet meeting, with a cost estimate of up to £15,000.
Total	1,605	333	217				

**2016/17 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

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Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance			Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual			
				£'000		%	
New Housing Builds - Phase 1 & 2	10,306	1,226	721	-505		-41	For Phases 1 & 2, please see comments on the major schemes schedule
Other Housebuilding Developments	1,889	175	-2	-177		-101	Planning approval has been obtained for all of the sites making up Phase 3, which will deliver 34 new homes. Tenders have been issued for all of these sites and, once received, will be presented to the Council house-building Cabinet Committee for agreement. Works are expected to commence on site early in the new year. Sites making up Phase 4 & Phase 5 are to be placed on hold pending the outcome of the HRA financial review. Conversions at Marden Close and Faversham Hall were completed in 2015/16, a retention figure is still outstanding.
Barnfield S106 Development	904	639	662	23		4	The Council is purchasing eight affordable rented homes using 1-4-1 receipts in addition to B3 Living purchasing three shared ownership properties, with Linden Homes, at Barnfield, Roydon. Since entering into an agreement work has started on site with completion expected October 2017.
Off Street Properties Purchases	2,555	1,885	1,996	111		6	The Council has now completed the purchase of six open market street properties in Waltham Abbey, which has helped avoid returning any 1-4-1 Right to Buy receipts.
North Weald Depot	3,200	6	5	-1		-14	The Repairs Hub is currently on hold pending a corporate-wide accommodation review later in the year. Until then, the planning approval that has been granted will remain in place for up to 3-years. An alternative temporary repairs depot is currently being explored should the St Johns Road redevelopment progress before the decision on the accommodation review is reached
Heating & Rewire	3,395	1,627	1,218	-409		-25	This category includes gas and electrical heating, mechanical ventilation and heat recovery (MVHR) installation, electrical rewiring, and communal and individual cold water storage tank replacements. Two large gas boiler replacement schemes at Hyde Mead & Norway House have been completed and an increase in expenditure is expected during quarter 3 when the invoices are received. The large schemes for the replacement of the landlords' communal electrical supplies are due to commence in the winter months whilst the electric heating programme for 2016/17 is nearing completion with only a small number of installations outstanding.
Windows , Doors & Roofing	2,670	1,308	944	-364	0	-28	This category includes budgets for front entrance door replacement, PVCu window replacement, flat and tiled roofing along with balcony resurfacing programmes. The installation programme of front entrance doors has been accelerated during quarter 2. Due to the poor performance of the PVCu window installer, the Council has not entered into the second year of the contract for 2016/17. Discussions are underway with the second placed contractor with a view to completing the 2016/17 PVCu window installation programme however, this has caused a substantial delay. The flat roofing programme is nearing completion whilst both the tiled roofing and balcony resurfacing programmes are expected to be accelerated until the end of the year.
Total c/f	24,919	6,866	5,544				

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Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance			Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual			
				£'000		%	
Total b/f	24,919	6,866	5,544				
Planned Maintenance	149	47	58	11		23	This category includes Norway House improvements, door entry system installations and energy efficiency works. The door entry scheme cannot start until all leaseholders are notified. The energy efficiency scheme is showing an underspend as works have mostly been top-ups of cavity walls & loft insulation. Norway House improvements are currently ahead of schedule with the budget expected to be spent by the end of the year.
Kitchens & Bathrooms	4,128	2,037	1,189	-848		-42	The planned programmes for the kitchens & bathroom replacements are currently behind schedule mainly due to restricted access or on-hold properties. Expenditure on kitchen replacements is showing a slight underspend whilst the bathroom replacements is showing a much large variance. Plans are in place for accelerating both programmes.
Garages & Environment Works	1,165	292	143	-149		-51	This category includes garages, fencing, off-street parking, estate environmental works, CCTV, external lighting schemes and gas pipework replacement programmes. Works have recommenced at Torrington Drive after the delay in quarter 1 with the completion of the arboriculture works during the second quarter, with the completion of both the hard and soft landscaping works expected in quarter 4. The construction at Paley Gardens is expected to be completed by February 2017. The gas pipe-work replacement programme has progressed well in quarter 2 with only minor gas pipe-work replacement schemes left on the schedule. Once completed the there are no other gas pipe-work replacements identified.
Actual Schemes	460	165	197	32		19	A number of schemes are nearing completion and the budget is expected to be fully utilised by the end of the year. The works on the conversion of Leonard Davis House have been postponed and has been recommended that the budget is carried forward into 2017/18.
Disabled Adaptations	430	203	238	35		17	The welfare and heating scheme is currently on schedule with the budget anticipated to be fully spent by the end of the year.
Other Repairs & Maintenance	256	119	95	-24		-20	As expected with the ad-hoc nature of both schemes, there is currently a small underspend showing on this category.
Service Enhancements	386	89	26	-63		-71	The Oakwood Hill enhancement programme is currently on hold due to Essex County Council's involvement in the scheme. A decision will be made on the viability of future mobility scooter schemes as demand has greatly reduced. Currently 280 leaseholder front doors have either been installed or have committed orders raised whilst further leaseholder consultation is planned which will concentrate on replacing all the high-risk wooden front doors in communal areas of flat blocks.
DLO Vehicles	108	0	0	0		0	The order for seven DLO vehicles has been placed with the Ford Motor Company with delivery planned for quarter 3.
Hra Leasehold Prop (Cr)	-300	0	0	0		0	This credit budget allows for work undertaken within the above categories on sold council flats. Once identified, an adjustment will be made at the end of the year.
Total	31,701	9,818	7,490				

**2016/17 DIRECTORATE CAPITAL MONITORING -
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS) AND CAPITAL LOANS**

REFCuS Scheme	16/17 Full Year Budget £'000	Second Quarter		16/17 Variance			Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual			
				£'000		%	
Parking & Traffic Schemes	273	8	3	-5		-63	Work on the Loughton Broadway parking review has started and temporary no-waiting restrictions have been put in place in the disabled bays. Although the main works are likely to be undertaken in 2017/18, there will be consultancy and preliminary works this year. Slippage of approximately £213,000 will be requested as part of the Capital Review and reflected in the capital programme whilst an additional £40,000, funded from Section 106 Monies from the EFDC Retail Park, will be requested.
Disabled Facilities Grants	500	250	247	-3		-1	The Council has a legal duty to provide Disabled Facility Grants (DFGs) to all residents who meet the eligibility criteria. Demand for DFGs has been growing over the past 18 months or so with the number of occupational therapist referrals rising since the beginning of 2015/16. Members responded to this by uplifting the allocation in the capital programme by £120,000 to £500,000 for each of the four years from 2015/16 until 2018/19. Since this was agreed, demand has continued to rise and it now thought that expenditure could be as high as £630,000 this year. At the same time, the Council has received a Better Care Fund contribution of £665,000, which means that the additional £120,000 Capital Growth Bid will not be needed to be funded by the Council in 2016/17. The implications of this will be addressed in the Capital Review.
HRA Leaseholders	150	0	0	0		0	These costs relate to capital works on sold council flats, currently shown in the HRA capital programme. They will be identified once the works are complete and reported at the end of the financial year.
Total	923	258	250				

Capital Loan Scheme	16/17 Full Year Budget £'000	First Quarter		16/17 Variance			Comments
		16/17 Budget £'000	16/17 Actual £'000	Budget Vs Actual			
				£'000		%	
Private Sector Housing Loans	271	40	44	4		10	The Council provides discretionary financial assistance to private home owners under the current Repayable Housing Assistance Policy 2015-2017. The introduction of the `repayable' element for financial assistance had a negative impact upon public interest and stunted the flow of applications. However, with limited alternative options available, interest has returned. As further loans are committed it is estimated that the year end expenditure will be in the region of £80,000 which will be reflected in the capital programme.
Total	271	40	44				

**2016/17 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES**

HOUSE BUILDING PHASE 1

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre- Tender Forecast	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Apr-14	Jun-15	Oct-14	Aug-17	3,948	-429	3,519	2,590	5,719	63%	929

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

On 1 June 2016, with approximately two-thirds of the value of works completed, the Council terminated the contract with Broadway Construction Ltd as they were not regularly and diligently progressing with the works. In September, the Council House-building Cabinet Committee agreed the appointment of P A Finlay & Co Ltd for the recovery phase of the construction works at Phase 1 in the negotiated contract sum of £2,674,335. The anticipated outturn figure has been increased to £5,719,000 to allow for the cost of the recovery works, the additional fees and a contingency sum of £267,400 to allow for any unforeseen works. The variance anticipated shown in the table above represents the rise in costs from the original approved budget for the contract with Broadway Construction Ltd to the new contracted sum with P A Finlay & Co. Works recommenced on site in October 2016 with the two Roundhills sites and most of the Red Cross site due to be completed by February 2017, the Harveyfields site by April 2017 and the two remaining duplex units on the Red Cross site due to complete in August 2017.

HOUSE BUILDING PHASE 2

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre- Tender Forecast	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Feb-16	Mar-18	Mar-16	Apr-18	9,110	1,723	10,833	1,336	10,716	-1%	9,497

Phase 2 of the Housebuilding Programme is now progressing, having achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. Tenders were issued to six contractors from the East Thames' approved list and five bids were submitted, with one contractor withdrawing. The five tenders received were opened by the housing portfolio holder in November 2015 in accordance with contract standing orders. Interviews were held in December 2015 with each of the two lowest tenderers to explore any qualifications as part of the evaluation process. The tenders were analysed by Pellings LLP, the employers agent acting on behalf of the Council's development agent East Thames, who recommended that Mullalley & Co Ltd be awarded the contract.

Cabinet subsequently approved the award of the contract to Mullalley & Co Ltd in the adjusted tender sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks. This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector.

Mullalley & Co Ltd took possession of the site in March 2016 with work commencing on site in July 2016 having discharged the planning conditions and completing the detailed designs. Although timings did slip by a month, Mullalley & Co Ltd are actively progressing with the works and are currently on target to complete by April 2018.

2016/17 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES

LANGSTON ROAD RETAIL SHOPPING PARK										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre- Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
Mar-16	Oct-16	Sep-16	Jun-17	31,161	0	31,161	13,334	31,161	0%	17,827
<p>The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000 approved by Cabinet in June 2015. It covers the purchase of Polofind's interest in July 2015, the development of the site at Langston Road by the Council as a sole owner. The costs allocated for Section 278 Highways Works as well as consultancy and other professional fees.</p> <p>Delays have occurred obtaining a contractor for the main retail park due to the initial open OJEU process failing to attract any bids. Subsequently a restricted process was completed with the winning tender being from McLaughlin and Harvey in the sum of £10,300,000. A letter of intent was issued with start on site of 12th September 2016 and the contract was signed on 26 October 2016.</p> <p>The Section 278 works are progressing but at a pace slower than hoped for due to design clashes between revised drainage and medium pressure gas mains. The project team and contractor together with Essex Highways and the utilities companies are working together to resolve matters in the best way possible. A revised programme will be issued in mid November after which it is hoped that work and programme dates will be much clearer. The Section 278 works were tendered late in 2015 and awarded to Walkers Construction. Due to changes in personnel at Essex County Council, a number of substantial changes have been added to the scheme increasing costs and the contract programme. Walkers have already established a site presence in Chigwell Lane; their new revised contract of 40 weeks has risen to approximately £3,000,000 with an expected date for practical completion scheduled for 19th June 2017.</p> <p>The marketing of the units is continuing and it is hoped to have the agreements for lease and tenant fit out specifications on four of the key lettings completed before Christmas – Aldi, Next, TK Maxx and Smyths Toys. Agreement of outline Heads of Terms has now been agreed with JD Sports and this is moving into solicitors hands.</p>										

Report to the Resources Select Committee

Date of meeting: 6 December 2016



**Epping Forest
District Council**

Portfolio: Finance

Subject: Review and usage of Section 106 monies

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

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

Recommendations

That members consider the current position on section 106 funding and any further opportunities, whilst bearing in mind potential conflicts of interest.

Executive Summary

The report provides information on the Section 106 process and monitoring arrangements. The Council has and will receive substantial amounts from such agreements for affordable housing and other infrastructure purposes.

Reasons for proposed action

Members are asked to note the report and comment as appropriate

Other options for action

No other options applicable.

Report

1. The Council derives its revenue funding from a number of sources for example the General Fund receives money from Central Government, the Council Tax, Business Rates, various fees and charges and other grants and contributions. The Housing Revenue Account (HRA) receives money from Housing Rents, various fees and charges and other non-dwelling rents.
2. Capital expenditure is funded slightly differently, from Capital Receipts, various grants and contributions and with regard to HRA schemes, also from revenue resources which in effect means Housing Rents etc.
3. Grants and Contributions make up a fairly modest proportion of capital funding, this includes section 106 and similar income which the Council receives as part of agreements made when planning permission is granted for development schemes. These monies can be provided for a variety of different purposes and will be based upon requirements identified as part of the planning process. The types of project can range from education, highways, leisure, health and affordable housing provision. In some cases the money is provided to the County Council or the National Health Service and in other cases to this Council or indeed Parish Council's.

4. If a developer is developing land for housing purposes there is a requirement in most cases, where there is a development of 15 or more properties, to provide 40% affordable housing on site. Sometimes however this is not viable and the Council will accept a financial contribution to provide affordable housing in the area. Prior to the house building programme this money was used by the General Fund and passed to housing associations, however this money is currently being used by the HRA. Having said that the house building programme is under review and may not continue beyond phase 3.
5. The Section 106 agreements themselves can vary, most have financial requirements but some have non-financial requirements. Sometimes at the developers behest a repayment clause is included where the money has to be spent for the agreed purpose within a specific timescale. If this timescale is not met the money becomes repayable and the provider is entitled to apply for the money to be returned to them. It is important that as part of the development process proper consideration is given to what infrastructure is required and needs funding. As an example on occasions funding has been provided for highways works and the County Council has struggled to spend the money as no clear project was identified during the planning approval process.
6. There is also an officer group that monitors section 106 agreements on a quarterly basis. The group monitors progress on all agreements ensuring that funds are applied to the appropriate projects and are spent within agreed timescales. There have been 113 section 106 agreements entered into since 2001 and whilst the early ones have been concluded there are still a significant number that have obligations outstanding and some go back a number of years.
7. There are also other legal documents which provide for financial payments to be made to the Council known as a Deed of Unilateral Undertaking. The Council is not a party to the Deed but under the legislation (S106 Town and Country Planning Act 1990, as amended) is able to enforce the undertaking given if necessary. As the Council is not a party it does not make any commitment to returning the monies if not spent, so the party making the payment has no ability to enforce repayment against the Council. Having said that the Council must spend the monies for the purpose given or be open to possible challenge by way of Judicial Review.
8. As at 31st March 2016 the Council held £363,000 in various section 106 contributions; this is a considerable reduction on the previous year as all affordable housing monies including those provided during 2015/16 were spent on the Council's house building programme in that year.
9. The amount is made up of £248,000 related to leisure initiatives and the remaining £115,000 was due and subsequently paid to NHS England or parish council's. In 2016/17 further affordable housing monies have been received with other amounts expected in the near future.
10. The Governance Select Committee previously received an annual report setting out the section 106 agreements entered into however that committee felt that the report was not something that could be properly scrutinised and therefore was something that should be put to the District Development Management Committee. The next report is scheduled for the summer of 2017 and will cover the financial year 2016/17.
11. It is possible that Section 106 agreements will be replaced by the Community Infrastructure Levy or CIL, This is being evaluated as part the Local Plan process by a consultant who is doing the groundwork to assess whether or not we should put a CIL in place, however we will not be able to do this until the Local Plan has been adopted currently expected by the end of 2018. The work on this is being paid for from the Local Plan DDF budget.

12. Section 106 agreements are an important tool for Council's to ensure that developers provide funding for the infrastructure and affordable housing that is necessary as a result of the developments being undertaken.

Consultations Undertaken

Consultations with a number of other officers but in particular the Assistant Director of Governance with responsibility for Section 106 agreements.

Resource Implications

The report refers to section 106 funding which can be used for a variety of infrastructure projects. This funding becomes available as a result of negotiations with developers as part of the planning process. Much of the funding is already allocated but there is potential for further funding for projects depending on the outcome of these negotiations.

Legal and Governance Implications

All sums paid to the Council referred to above will be the subject of a legal agreement which stipulates when and how much is payable to the Council. The agreements themselves are monitored by officers to ensure that the obligations therein are adhered to. There is also the possibility for conflicts of interest where an organisation that has provided finance to the Council subsequently seeks planning permission for something or might become subject to planning enforcement action.

Safer, Cleaner, Greener Implications

Nothing specifically identified, though agreements entered into will consider the environmental impact of the proposed use of the money.

Background Papers

Various agreements held in legal Services and working papers held in Accountancy.

Impact Assessments

Risk Management

In negotiating the agreements it is important that the projects for which funding is sought are thought through properly as there is a risk that having secured funding it is then not spent within the required timescale and has to be returned to the developer. There is also a risk of using this money for capital projects that then leave unfunded revenue consequences.

Equality and Diversity:

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

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

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

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

N/A