

Select Committee Agenda



Resources Select Committee Tuesday, 19th December, 2017

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

**Committee Room 1, Civic Offices, High Street, Epping
on Tuesday, 19th December, 2017
at 7.30 pm .**

**Glen Chipp
Chief Executive**

**Democratic Services
Officer**

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

Members:

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

SUBSTITUTE NOMINATION DEADLINE:

6:30pm

- 1. APOLOGIES FOR ABSENCE**
- 2. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

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

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

Minutes

To agree the notes of the meeting of the Select Committee held on 17 October 2017.

Matters Arising

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

4. DECLARATIONS OF INTEREST

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

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

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

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

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

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

6. DRAFT GENERAL FUND, CSB, DDF & ITS LISTS AND SAVINGS UPDATE (Pages 23 - 32)

(Director of Resources) to consider the attached report.

7. CORPORATE PLAN KEY ACTION PLAN 2017/18 - QUARTER 2 PROGRESS (Pages 33 - 40)

(Chief Executive) to consider the attached report.

8. KEY PERFORMANCE INDICATORS 2017/18 - QUARTER 2 PERFORMANCE (Pages 41 - 50)

(Chief Executive) to consider the attached report.

9. QUARTERLY FINANCIAL MONITORING (Pages 51 - 76)

(Director of Resources) to consider the attached report.

10. SICKNESS ABSENCE (Pages 77 - 84)

(Director of Resources) to consider the attached report.

11. 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.

12. FUTURE MEETING

To note the remaining meeting dates for this Committee:

13th February 2018; and
03rd April.

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**EPPING FOREST DISTRICT COUNCIL
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE
HELD ON TUESDAY, 17 OCTOBER 2017
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING
AT 7.30 - 9.48 PM**

Members Present:	A Patel (Vice-Chairman, in the Chair), R Bassett (Vice Chairman of the Council), N Bedford, D Dorrell, L Hughes, J Jennings, J Lea, A Mitchell, D Sunger, C Roberts, D Roberts and J M Whitehouse
Other members present:	S Kane and G Mohindra
Apologies for Absence:	R Gadsby and P Keska
Officers Present	P Maddock (Assistant Director (Accountancy)), J Twinn (Assistant Director (Benefits)), D Newton (Assistant Director (ICT and Facilities Management)), S Bacon (ICT Operations Manager) and A Hendry (Senior Democratic Services Officer)

15. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)

It was noted that Councillor L Hughes was substituting for Councillor P Keska.

16. VICE CHAIRMAN FOR THE MEETING.

In the absence of a Vice Chairman, Councillor Sunger was appointed Vice Chairman for the duration of the meeting.

17. NOTES OF PREVIOUS MEETING

Minutes

The notes of the meeting held on 13 July 2017 were agreed.

Matters Arising

Minute item 2(a) referred to having members trained on the new MFDs. Mr Newton reported back that ICT were looking into the alternatives for this. They were actively considering setting up a stand alone PC and printer in the Members room for members to use. It would not be connected to the Councils' network. They would also be looking into any security concerns that this may raise and also if it was possible for the PC to time out a session if not used for some time.

18. DECLARATIONS OF INTEREST

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

19. TERMS OF REFERENCE AND WORK PROGRAMME

Terms of Reference

The Committee noted their terms of reference.

Work Programme

The Committee noted their work programme and that:

- Item 6 - ICT Strategy and progress on Call Handling should now be broken down into two parts as call handling now came under the Customer Call Centre, who would report back in March 2018. ICT updates would be given by D Newton.
- Item 11 – Sickness Absence – a report on this had been received at the July 2017 meeting.
- Item 15 – Shared services working – it was noted that this was now up and running.

20. UNIVERSAL CREDIT

The Assistant Director Benefits, Janet Twinn, introduced the informative report on the Governments Universal Credit Scheme. This was to inform all members on the rollout of Universal Credit and the impact it would have on the work of the Council.

Universal Credit would replace the following benefits that people now received: Jobseekers Allowance, Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. A single payment would be made on a monthly basis to cover both living expenses and housing costs.

Universal Credit was not paid for the first week of the claim. The payment was made monthly in arrears and was designed to replicate the budgeting required by people who receive a monthly wage. The claimant was then responsible for paying their full rent to their landlord. This was a change for council tenants as Housing Benefit was paid directly to the rent account and not to the tenant.

Up until 20 September 2017, in Epping Forest District, Universal Credit had been restricted to new claims from single people who were job seekers. However, this was changing as 'full service' was rolled-out throughout the country from July 2017. In the future, couples, families with children and people with disabilities who were of working age, would also be directed to claim Universal Credit. This meant that they could no longer claim Housing Benefit and they can only get help with their rent through Universal Credit, although there were some exceptions.

The exceptions to the move to Universal Credit were as follows:

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

People falling into these categories would still claim Housing Benefit.

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

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

There were delays in getting claims out and there was a wait of 6 weeks or longer for payment which put the claimants in rent and Council Tax arrears. People on long term benefits usually had difficulties in budgeting on a monthly basis; the council provided support and help for them.

Officers had communication problems with DWP staff and the Universal Credit Centres, they found it hard to find someone to speak to and resolve problems.

It was known that Landlords on the whole were not taking on persons on Universal Credit and this in turn was resulting in more homelessness and more people in Bed and Breakfast accommodation. It was hoped that the B&B costs would be moved out of Universal Credit, but there was no sign of this happening as yet.

Because of the monthly payments going directly to the claimants, and their resulting difficulties in budgeting, there was an increase in rent and council tax arrears and it may be that the council would need to consider different ways to collect council tax.

Councillor Bedford asked if we informed people how to get aid while they waited for their money. Ms Twinn said that they had not put anything in position as yet but were looking at what they could do. Councillor Bedford asked if there were such things as emergency grants or could we refer them to foodbanks. He was told that the council had food vouchers that they could give out. The DWP used to give emergency funds and would give advances on Universal Credit if asked, but people were not being told this. Councillor Bedford then asked if people were being triaged to sift out the vulnerable. He was told that that was for the DWP to do.

Councillor Sunger asked if there was any provision to pay directly to the landlords. He was told that once they were eight weeks in arrears then the landlords could ask for 'Alternative Payment Arrangements'. Officers tried to be proactive and inform the landlords that this facility existed.

Councillor Jon Whitehouse noted that there were various payments and asked when officers offered advanced payments or for Discretionary Housing Payments (DHP)? Ms Twinn said that they could not pay DHPs on the first week of the claim as they were not eligible for Housing Benefits for the first week. Councillor Whitehouse asked if they could use the DHP to pay arrears. He was told that they could but not for the first week.

Councillor Bedford asked if the council carried out Local Authorities check for private housing. Ms Twinn said that she would ask the Housing Options people.

Councillor Bassett noted that we provided assistance to the local CAB. Did we maintain any liaison with them? Ms Twinn replied that we did have liaison meetings with them. Councillor Mohindra wondered if we needed to ask the CAB if they needed more help from us.

Councillor Whitehouse wondered if we had briefed or lobbied our local MPs on the problems we were facing with Universal Credit. Officers were not sure that any authority in Essex had done this but there would be a debate in Parliament on 18 October about postponing the roll out of Universal Credit.

Councillor Patel asked about our relationship with the Job Centres. He was told that officers did have meetings and contact with them, but noted that they were under DWP control and so towed their 'official' line.

Councillor Patel asked if we could publicise our Personal Budgeting Support to people in receipt of Universal Credit.

The Committee thanked Ms Twinn for her informative report and for bringing the problems around Universal Credit to their attention.

RESOLVED:

That the report on Universal Credit be noted.

21. QUARTERLY FINANCIAL MONITORING REPORT - QUARTER 1

The Assistant Director Accountancy, P Maddock, introduced the report on comparison between the original estimates for the period ended 10 June and the actual expenditure or income as applicable.

The meeting noted that:

- The salaries schedule showed an underspend of £144,000 or 2.5%. At the first quarter last year the underspend was 3.6%;
- Resources was showing the largest underspend of £92,000, this relates mainly to Revenues and Housing Benefits;
- Communities showed an underspend of £37,000 relating to Communities Policy as the Assistant Director – Private Sector Housing post became vacant during the period, and Housing Management;
- The investment interest was broadly on target with the budget. Interest rates were now only a little over 0.1% and money was primarily being held short term because of the significant capital commitments coming up;
- Development Control income at Month 3 was down on expectations;
- Fees and charges were £49,000 lower than the budget to date and pre-application charges were £7,000 higher than expected;
- Building Control income was £33,000 higher than the budgeted figure at the end of the first quarter. The ring-fenced account had assumed a deficit of £129,000 for this year due to the amount of scanning work required, however based on income levels to date this looked likely to be better than expected;
- Income from MOT's carried out by Fleet Operations was in line with expectations;
- Car Parking income appears broadly on target with expectations at month 3;
- Local Land Charge income was £3,000 above expectations;
- Expenditure and income relating to Bed and Breakfast placements was on the increase;

- Growth of £28,000 was allowed for in 2016/17 with a further £12,000 in 2017/18. The 2016/17 actual was nearer the 2017/18 original position than the revised 2016/17 and there were no signs of expenditure levels abating. Some new initiatives were being pursued in an effort to stem the increase and additional government funding in the form of Flexible Homeless Grant was being used to fund programmes such as the Zinc Arts Scheme in Ongar;
- The waste and leisure management contracts showed some underspend due to timing. The latter particularly, as payments didn't commence until July;
- The Housing Repairs Fund showed an underspend of £62,000. There were underspends showing on both Planned Maintenance and Responsive work;
- Income from Building Control and probably Car Parking look likely to exceed the budget; and
- The Shopping park was now open for business with only one or two units still to be let.

Councillor Patel wanted to know why the Chief Executive's budget had doubled. He was told that was because more staff had moved into his purview.

Councillor Patel also wondered why the disabled facilities grant was underspent. He was told that this went in peaks and troughs over the year; there was no specific reason for this.

Mr Maddock noted that this was the sixth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected were retained by the Council. There were proposals that all Business Rates be retained within the local government sector though this actually happening was unlikely before the year 2020/21.

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 were fixed and have to be made even if no money was collected.

Councillor Bassett asked if the appeals lodged against the business rates were near to, or had been completed. Mr Maddock said that none had, they were dragging on for a long time. There were a few hundred on that list now. Councillor Bedford wondered if we could speed up the appeals process but was told that we had no control over this; however, they were chased up. Councillor Mohindra noted that we did have a contingency fund of about £2million for this.

Councillor Patel said that he would like the business rate appeals to go on the work programme and have a report come back to the committee. He would like to know how many came back in our favour and how many we lost. Councillor Bedford asked if it was worth investing in putting a dedicated officer in place to speed up this process, under the invest to save scheme. This could be put up the relevant Portfolio Holder or Cabinet.

RESOLVED:

- 1) That the Committee noted the revenue and capital financial monitoring report for the first quarter of 2017/18; and
- 2) That a report on Business Rate appeals be brought to a future meeting.

22. FINANCIAL ISSUES PAPER

The Assistant Director Accountancy, P Maddock, introduced the report on the financial issues paper. The report had previously been to the Finance and Performance Management Cabinet Committee. It provided a framework for the Budget 2018/19 and updated Members on a number of financial issues that would affect this Authority in the short to medium term.

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 and pay awards

The report went on to outline in general terms the state of the Council's finances and the problems (potential or otherwise) facing it. The report touched on the recent elections and what Brexit might mean for us. It outlined the state of the General Fund, detailing the CSB, and the DDF. It updated members on the Medium Term Financial Strategy, the current position on Central Government funding, and the existing position on business rate retention scheme. The report also noted that the reduction in New Homes Bonus for 2017/18 was far greater than had been anticipated and outlined the upcoming development opportunities in the district.

It was noted that the Invest to Save fund was still looking for ideas as it still had some money left. If members had anything they would like to can put it forward for consideration.

Councillor Bassett asked where would the funds from the Shopping Park go to and was informed that it would go into the General Fund.

Councillor Bassett then asked when would we see the long term savings from the Transformation Programme coming through. He was told that the people strategy would be starting up now. Officers were now looking to 2018/19 for any savings to come through.

Councillor Whitehouse said that no money had come back from the Invest to Save projects; where was this money? Mr Maddock replied that the savings would eventually go back into the CSB.

Councillor Bedford asked if officers could find out what happened to the other authorities who accepted the DCLG settlement. Mr Maddock said that they would look into this.

RESOLVED:

That the Financial Issues Paper was noted by the Committee.

23. DRAFT TECHNOLOGY STRATEGY 2018 - 2023

The Assistant Director ICT, Dave Newton and the ICT Operations Manager, Stephen Bacon gave a joint presentation on the draft Technology Strategy for 2018-2023. The strategy was due to be presented to the Cabinet on 9th November.

They outlined the following overall Vision and Purpose:

Their vision was for a great place where people enjoy living, working, learning and leisure.

Their purpose was to work together to serve the community.

Within the Corporate Plan 2018-2023 were the following objectives, the latter of which was most relevant to ICT and as such was shown in detail:

- Stronger communities
- Stronger place –
- Stronger Council – A culture of innovation,
- Enhancing skills and flexibility of our workforce
- Improving performance through innovation and new technology
- Efficient use of our financial resources, buildings and assets
- Working with commercial partners to add value for our customers

They were preparing for April next year when Transformation starts and part of this was that they were losing their training room and would be using the Council Chamber instead. They were also preparing for a possible decamp from this building. The Condor building had spare capacity and could be used to house more staff. The Airfield and Hemnal Street on the other hand may prove problematic. Councillor S Kane added that they would need to make sure that the staff would have homeworking capabilities as some people would need this initially. Mr Bacon noted that the laptop security prevents this at present, but they were looking at different ways that could enable this. To support this they would be asking the Cabinet to purchase 550 new laptops for everyone. They were also looking at the internet set up and working closely with BT.

Councillor Dorrell asked if encouraging officers in buying their own devices had been considered. Mr Newton said that there had been a lot of resistance to this, and it posed a lot of technical difficulties, such as connectivity, having different laptops connecting to our network. It was more sensible to go with the same device for each person. All the laptops will be encrypted.

Councillor Mohindra asked if there would be provision for Councillors to connect to the EFDC site. Mr Bacon said they could already do this with mobile devices that have been set up by IT.

Mr Bacon continued that the council was now looking at accommodation for the new staff structure, they were presently looking at the capabilities of the ICT team.

He noted that more intensive use will be made of the new building at the Civic Office complex. Outside of office accommodation, ICT were proposing the following changes to their accommodation requirements:

- Low cost Multipurpose refit of Council Chamber to allow easier use for Training, including ICT Training.

- Release of current ICT Training Room to provide capacity for other uses.
- Migration to cloud based servers to release server room accommodation.

It was also observed that ICT security would be a challenge; there would be a full scale review of the security set up starting in January ready for April.

Councillor Patel asked how often was homeworking work backed up. He was told that the homeworkers would be connected to the council's network and so it would be automatically backed up. If a standalone device was used then we would ask them to back it up whenever they could. Councillor Patel wondered if this could be written into the officer's contract.

Councillor Bassett asked if they have someone to do penetration testing. He was told that they already carried out this type of testing. Councillor Bassett then asked if the council had various back up and disaster scenarios and was told that they were looking into this. Councillor Mohindra commented that everything we spent money on should be future proofed.

Councillor Kane asked if there would be any printing provision made for remote workers. He was told no, there wouldn't be.

Councillor Sunger had it confirmed to him that all the laptops would be maintained and insured.

ICT support would be improved, there would be return to base support, the helpdesk would be open from 8am to 6pm as people would be working outside the normal 9 to 5 hours, their working hours would be spread over the day.

Officers would be able to work from any EFDC office. This building and satellite offices would be made as resilient as possible which would include power back up. They would also be updating the wireless system as the old one was now seven years old.

The Council will be moving to office 365, which was more flexible than windows. Councillor Whitehouse asked that as this would come from a small supplier, what would happen if it went wrong. Mr Bacon said that they were looking to get the best value systems that they could and were also looking at alternative systems and their costs. They were looking to the long term strategy for 5 to 7 years to enable the payoff for this change.

Mr Bacon continued that they were also looking for a data platform based on integration, sharing and transparency. They were looking to link the council's systems together to enable staff to easily access and analyse the data that we held across our service areas.

Councillor Mohindra asked if we could commercialise the data that we held. He was told that it could be done but there were no plans as yet to do this.

It was noted that EFDC staff would be able to use Skype for business calls and meetings; have virtual meetings and use a type of business facebook. The flexible working hardware would be ready for next year. ICT was there to enable staff to deliver services to customers, to do this better.

Councillor Bedford agreed that the customer was the most important person; would there be video conferencing calls enabled for customers to speak to specialist staff. He was told that that they could put it in satellite offices.

Councillor Whitehouse asked about the new data protection act (GDPR) coming in. he was told that this was being looked at by the Council's Data Protection Board.

Councillor Hughes noted that the proposed customer access was great, but what about the people with no computer. Mr Bacon said that they would still have the old channels of communication available for them to use.

Councillor Bedford noted that laptops have about a five year lifespan. Could you look at phasing in the purchase of the new laptops say a percentage bought every two years. He was told that this new way of working had to be done all at once as it was all happening at the same time.

The meeting wanted to inform all members via the Council Bulletin that this strategy would e going to the next Cabinet meeting on 9th November.

RESOLVED:

- 1) That the draft Technology Strategy for 2018 to 2023 be noted; and
- 2) That members be reminded via the Council Bulletin that it would be going to the Cabinet meeting on 9th November 2017 for agreement.

24. CORPORATE PLAN KEY ACTION PLAN 2017/18 - QUARTER 1 PROGRESS

The Assistant Director Accountancy introduced the quarter 1 progress on the Corporate Plan, Key Action Plan for 2017/18. This report presented progress against the Key Action Plan for 2017/18 for actions most appropriately to be considered by the Resources Select Committee.

Progress against the Key Action Plan was reviewed on a quarterly basis to ensure the timely identification and implementation of appropriate further initiatives or corrective action where necessary.

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

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

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

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

RESOLVED:

- (1) That the Committee noted the first quarter (Q1) progress of the Corporate Plan Key Action Plan for 2017/18 in relation to its areas of responsibility; and
- (2) That the Committee identified no actions arising from the Corporate Plan.

25. KEY PERFORMANCE INDICATORS 2017/18 - QUARTER 1 PERFORMANCE

The Assistant Director Accountancy introduced the quarter 1 performance of the key performance indicators. The Committee noted that a range of thirty-two (32) Key Performance Indicators (KPIs) for 2017/18 was adopted by the Finance and Performance Management Cabinet Committee in March 2017. The KPIs are important to the improvement of the Council's services and the achievement of its key objectives, and comprise a combination of some former statutory indicators and locally determined performance measures. The aim of the KPIs was to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district, that were the focus of the key objectives.

The overall position for all 32 KPIs at the end of the Quarter 1, was as follows:

- (a) 27 (84%) indicators achieved first quarter target;
- (b) 5 (16%) indicators did not achieve first quarter target, although 1 (3%) of KPIs performed within the agreed tolerance for the indicator; and,

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

- (a) 4 (66%) indicators achieved target;
- (b) 1 (17%) indicator did not achieve target, however this indicator performed within the agreed tolerance for the indicator
- (c) 1 (17%) indicator performed within its tolerated amber margin.
- (d) 4 (67%) of indicators are currently anticipated to achieve year-end target.

The two indicators that were not achieving their target was RES002 and RES005.

RES002 - *what % of the invoices we received were paid within 30 days* – we were over this target by just 1% and were in position to achieve the target by the end of the year. Officers were being asked to pass the invoices through the system more quickly.

RES005 – *on average, how many days did it take us to process new benefit claims* – this would meet its target by the end of the year.

RESOLVED:

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

26. FEES AND CHARGES 2018/19

The Assistant Director Accountancy, P Maddock, introduced the report on fees and charges that Council levies and what scope, if any, there was to increase particular changes.

The Medium Term Financial Strategy had identified the need to find savings of £700,000 over the four year period with £300,000 falling in 2018/19. The Revenue Support funding had already been set for 2018/19 at £193,000, thereafter it was to be phased out with the Council having to fund all its General Fund services from the Council Tax, Retained Business Rates and Fees and Charges. If these resources were not sufficient the General Fund balance would need to make up the difference.

Councillor Bedford noted that the report said that Consumer Prices Index was close to 3% - however the words 'close to' should now be removed so the sentence read: "Inflation has been on the increase recently and Consumer Prices Index (CPI) is now close to 3% and it is proposed to use this as a guide in setting increases."

Councillor Sunger asked that the words "rogue letting agents" be inserted in paragraph 12 so that it read:

"The Housing and Planning Act 2016 has introduced a range of measures to supplement existing powers available to councils designed to crack down on the criminal element in the private rented sector, the so called 'rogue landlords' *and rogue letting agents.*"

It was also noted that under paragraph 29 the date 'with effect from' should have read 13th January 2018 and not 1st April 2018.

Councillor Patel asked on what basis did we set our charges. Mr Maddock replied that officers assessed how much it cost to provide a service and set the charges appropriately to that. It should be noted that for some services we did not have discretion over as these were set by the government.

Councillor Whitehouse asked if it was sensible to increase the bulk waste charge as there was so much more flytipping now. Would this only encourage more flytipping? Mr Maddock said that he would speak to Biffa and ask if we could take flytipping into consideration.

Councillor Lea would also like the concession for pensioners to be reinstated.

The meeting agreed that they would not like to see the bulky household waste charges go up and would like to see the concession for pensioners reinstated.

RESOLVED:

That the Committee considered the proposals for the level of fees and charges for 2018/19 and made the following recommendations:

- That they would not like to see the bulky household waste charges increased; and
- That they would like to see concessions for pensioners reinstated.

27. 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.

28. FUTURE MEETING

The Committee noted their future meeting dates.

RESOURCES SELECT COMMITTEES

TERMS OF REFERENCE 2017/18

Title: Resources Select Committee

Status: Select Committee

1. To undertake overview and scrutiny, utilising appropriate methods and techniques, of services and functions of the Resources Directorate;
2. To consider any matter referred to the Select Committee by the Overview and Scrutiny Committee;
3. To undertake quarterly performance monitoring in relation to the services and functions of the Resources Directorate, 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.

Transformation Programme

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

Chairman: Cllr Patel

Resources Select Committee 2017/18 (Councillor A Patel)			
Item	Report Deadline / Priority	Progress / Comments	Programme of Future Meetings
(1) Key Performance Indicators 2016/17 – Outturn Review	Outturn KPI Performance considered at the first meeting of each municipal year.	Outturn KPI performance report for 2016/17 to July 2017 meeting - Completed	13 July 2017; 17 October; 19 December; 13 February 2018; and 03 April .
(2) To review the specific quarterly KPI 2017/18	Quarterly	Review of quarterly performance: Q1 in October 2017; Q2 in December '17; Q3 in February '18.	
(3) Corporate Plan Key Action Plan 2016/17 – Outturn review	First meeting of each municipal year	Outturn Key Action Plan 2015/16 performance to July 2017 meeting - Completed	
(4) Corporate Plan Key Action Plan 2017/18 – quarterly review	Quarterly	Review of quarterly performance: Q1 October 2017; Q2 December 2017; Q3 February 2018.	

(5) Detailed Portfolio Budgets	Portfolio budgets considered on an annual basis jointly with the Finance and Performance Management Cabinet Committee.	Annual Review of portfolio budgets to be considered at joint meeting with the F&PM Cabinet Committee in January of each year.	
(6) ICT Strategy –	Progress against ICT Strategy Considered on an annual basis.	COMPLETED – October 2017	
(7) Progress on Call handling	March 2018	Now part of the Customer Care Section and separate from ICT. Progress report on call/response handling. Also to receive a report on options following introduction of new telephony system.	
(8) Fees and Charges 2018/19	Proposed fees and charges for 2018/19 – for October 2017 meeting.	Proposed fees and charges considered on an annual basis each October COMPLETED	
(9) Provisional Capital Outturn 2016/17	Provisional outturn for 2016/17 for July meeting.	Provisional Capital Outturn considered on an annual basis at first meeting in each municipal year - COMPLETED	
(10) Provisional Revenue Outturn 2016/17	Provisional Outturn for 2016/17 for July 2017 meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each year. COMPLETED	
(11) Sickness Absence Outturn	July 2017	To review the Sickness Outturn report for 2016 /17 - COMPLETED	

(12) Sickness Absence	Half-yearly progress reports for 2017/18 to be considered at December and July meetings.	Detailed progress against achievement of sickness absence targets reviewed on a six-monthly basis <i>Last report received at July 2017 meeting.</i>	
(13) Medium Term Financial Strategy & Financial issues paper	October 2017	To receive the financial issues Paper and Medium term financial strategy including 4 year General Fund forecast. COMPLETED	
(14) Quarterly Financial Monitoring	Oct. 2017; Dec. 2017; & Feb. 2018	To receive quarterly financial monitoring Reports	
(15) Review of Risk management arrangements	July 2017	Item from the O&S Co-ordinating Group. To review the trends in claims expenses - COMPLETED	
(16) Shared Services Working	If possible a verbal update to be given at December 2017 meeting.	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 December 2015 meeting.</i>	
(17) Invest to Save update	December 2017	To receive a report updating the Committee on the Council's Invest to Save scheme	
(18) General update on the General Fund CSB, DDF and ITS	December 2017	To receive an updating report on the CSB, DDF and ITS schemes.	

(19) Scrutiny of the Transformation Project	Had an initial meeting on 10 April 2017	Initial meeting to review PICK form and set terms of reference for looking at the Transformation project. T&F Panel set up to review what the Select Committee will need to review. That Panel has now concluded and will report to the Overview and Scrutiny Committee.	
(20) Resources Directorate Business Plan	July 2017	Received briefing from each responsible PH on their business plan for the year. - Completed	
(21) Universal Credit	October 2017	Updating report on the Government's Universal Credit Scheme. COMPLETED	
(22) Resources Directorate Business Plan 2018/19 (NEW)	3 April 2018	Presentation by all relevant Portfolio Holders.	
23 Transformation Projects relevant to this Committee	13 February 2018	Details of relevant new transformation projects to be submitted to the relevant SC for scrutiny.	
24 Transformation Projects closure and benefits reports	13 February 2018	That any Directorate appropriate project closure and benefits realisation reports to be submitted to this SC for information.	

Report to the Resources Select Committee

Date of meeting: 19 December 2017

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 2018/19.

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 July. 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 Transformation.

2. The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that savings of around £700,000 were required over the forecast period. The savings required in 2018/19 were identified at £300,000 after savings of £463,000 already identified had been taken into account. It was noted though that there was still significant uncertainty and little has changed since then.

3. Total CSB expenditure in 2016/17 was £215,000 lower than the Original budget and £929,000 below the revised, because of this a decision was taken to fund Capital Expenditure of £1 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 2017/18 though not as marked.

4. Income from the Shopping Park will be less than expected in 2017/18 due to the various rent free periods and some negotiations with prospective tenants taking longer than expected. However there are additional industrial and commercial rents in other areas which

will offset this loss to a degree though the exact amount is still being assessed. Having said that once all units are let rental income is expected to be in line with expectations. A prudent £2.4m is included on the lists at the moment as there will inevitably be some costs incurred in managing the park.

5. Previous years have seen regular underspends and the exercise to remove such budgets has generally been successful. This exercise is still continuing during this cycle.

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 2017/18 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. An updated list will be tabled at the meeting if there has been any significant changes since the agenda was published.

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
28/11/17 Assistant Director of Resources	There are no equality implications arising from the recommendation of this report. The report contains growth and savings proposed for the Revised 2017/18 and Original 2018/19 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	Revised	Estimate	Estimate	Estimate	Estimate
			2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Communitites	Homelessness Advice	Additional post	30					
	Homelessness Advice	Homelessness Reviews/Rough Sleepers	12					
	Total Communities		42	0	0	0	0	0
Governance	Development Control	Trainee Planning Officers		20	34			
	Development Control	Pre-application income		(10)				
	Development Management	Planning Validation Officer		15	14			
	Development Management	Technical Officer			29			
	Enforcement	Compliance Officer			27			
	Governance Admin	Training	5	5				
	Internal Audit	Corporate Fraud Team	8	8				
	Members Allowances	Increase in Basic Allowances	7	7				
	Total Governance		20	45	104	0	0	0
	Neighbourhoods	Land and Property	Brooker Road	(107)	(100)			
Land and Property		Epping Forest Shopping Park	(490)	(255)	(1,450)	(695)		
Land and Property		Broadway Gate development				(250)		
Land and Property		Rental Income - Shops	(45)	(75)				
Leisure Management		Savings from New Contract	(250)	(250)		(300)	(350)	
Off Street Parking		New Chargeable Parking Spaces (ITS)	(11)	(12)	(17)			
Off Street Parking		Machine Maintenance and collections	8	8				
Off Street Parking		Additional Staffing	32	17	11			
Off Street Parking		New Management Contract (ITS)	(88)	(64)	(5)			
Off Street Parking		Lea Valley Management Fee (ITS)	(2)					
Off Street Parking		Vere Road Pay & Display (ITS)	(5)	(3)	(7)			
Total Neighbourhoods			(958)	(734)	(1,468)	(1,245)	(350)	0

CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service	Estimate	Revised	Estimate	Estimate	Estimate	Estimate
		2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Resources	Cashiers	(8)	(8)				
	Civic Offices	68	68				
	Civic Offices	14	14				
	Facilities Management		5				
	Finance Miscellaneous	(25)	(25)				
	Housing Benefits Administration	42	42				
	Housing Benefits	25	25				
	Human Resources	69	69				
	Human Resources	60	60				
	ICT	(13)	(9)				
	Resources	(9)	(9)				
	Total Resources	223	232	0	0	0	0
Other Items	Investment Interest	93	93				
	New Homes Bonus	122	122	1,075	202	531	
	Pensions			22	31		
	Total CSB	(458)	(242)	(267)	(1,012)	181	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	B/F from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Chief Executive	Chief Executive Policy Group	Transformation Staffing	90		90	58			
	Transformation	External Partnerships	100						
	Transformation	Transformation Projects	80	7	87				
	Total Chief Executive		270	7	177	58	0	0	0
Communitites	Communities	Externally Funded Projects	110		110				
	Communities	Externally Funded Projects	(110)		(110)				
	Homelessness	Legal Challenges	20	20	30	10			
	Private Sector Housing	Landlord Accreditation Scheme	1		1				
	Safer Communities	CCTV Trainee Assistant post	20		23	23	2		
	Youth Council	Enabling Fund			8				
	Grant - Citizens Advice Bureau	CAB Debt Advisors	4		4				
	Total Communitites		45	20	66	33	2	0	0
Governance	Building Control	Fees & Charges			(40)				
	Building Control	Ringfenced account			40				
	Development Control	Pre Application Consultation Fees	(13)						
	Development Control	Fees & Charges	(175)		(105)				
	Development Control Group	Trainee Contaminated Land Officer	23		10				
	Development Control Group	Trainee Planning Officer	45		15				
	Development Management	Administrative Assistant	13		17	17			
	Development Management	Technical Officer	28		28				
	Development Management	Planning Validation Officer	26		15				
	Development Management	Document Scanning	113	1	108	113			
	Elections	Savings no district elections	(41)		(41)				
	Electoral Registration	Individual Registration Costs	37	25	62	23			
	Enforcement / Trees & Lanscape	Technical Assistant - Conservation		7	7				
	Legal Services	Transformation Programme	10	2	12				
Local Land Charges	Temporary officer			7	14				
Planning Appeals	Contingency for Appeals	41	(9)	15	32	21			
Total Governance		107	26	150	199	21	0	0	

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	B/F from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's
Neighbourhoods	Contaminated Land & Water Quality	Contaminated land investigations	79	(7)	72	50			
	Flood defence	Flood Risk Works Pynest Green Lane		16	16				
	Countrycare	BRIE - SLA	4		4				
	Economic Development	Economic Development Strategy	8		8				
	Economic Development	Town Centres Support	52	26	78				
	Economic Development	Smart Places			100				
	Asset Rationalisation	Council Asset Rationalisation	61	(8)	53				
	Asset Rationalisation	New Development Project Officer		3	3				
	Forward Planning	Local Plan	1,028	195	1,227	946	400		
	Forward Planning	Brownfield Register		15	15				
	Forward Planning	Hillhouse		6	6				
	Forward Planning	Garden Town		665	665				
	Forward Planning	Community		53	53				
	Forward Planning	Neighbourhood Planning	3	(1)	2				
	Land and Property	Brooker Road			(43)				
	Leisure Management	New Management Contract	65		65	268	9	12	
	Off street parking	Payment to NEPP for redundancies	20	(20)	5				
	North Welad airfield	Second hand Fire Truck		5	5				
	Parks & Grounds	Open Spaces - Tree Planting	10		10				
	Parks & Grounds	Roding Valley Development - Woodland Planting		50	50				
	Parks & Grounds	Survey of River Roding erosion	15		7	8			
	Waste Management	DCLG recycling reward scheme	218	2	220				
	Waste Management	Additional Sacks and Recycling payment	(104)		(104)				
Total Neighbourhoods			1,459	1,000	2,517	1,272	409	12	0

DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	B/F from 2016/17	Revised	Estimate	Estimate	Estimate	Estimate	
			2017/18 £000's	2017/18 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	
Resources	Building Maintenance - Non HRA	Planned Building Maintenance Programme	104	92	124	215		160	123	23
	Cashiers	Consultants fees		1	1					
	Council Tax Collection	Collection Investment	(57)		(54)					
	Council Tax Collection	Local Council Tax New Burdens Expenditure - E-Services		52	52					
	Housing Benefits Administration	Hardship & Compliance	(71)		(74)					
	Housing Benefits Administration	Benefits Specific Grants - Data Matching		60	60					
	Housing Benefits Administration	Benefits Specific Grants - Unallocated	20		20					
	Housing Benefits	Hardship & Compliance - Benefits Officers	58	6	64	58	43			
	Housing Benefits	Benefits Specific Grants - Furniture		2	2					
	Revenues	Temporary Additional Staffing	207	32	239	104				
	Sundry Non Distributable Costs	Emergency Premises Works	9	3	12					
	Total Resources			270	248	446	377	203	123	23
	Total Service Specific District Development Fund			2,151	1,301	3,356	1,939	635	135	23
	Tranistional Grant		(53)		(53)					
	New Homes Bonus				(7)					
	Council Tax Collection	Technical Agreement Contributions	(200)		(200)	(200)	(200)	(200)	(200)	(200)
	Pensions	Deficit Payments	(8)		(8)					
			1,898	1,301	3,088	1,739	435	(65)	(177)	

INVEST TO SAVE

				Estimate	B/F from	Revised	Estimate	Estimate	Estimate	Estimate
				2017/18	2017/18	2017/18	2018/19	2019/20	2020/21	2021/22
				£000's	£000's	£000's	£000's	£000's	£000's	£000's
Chief Executive				0	0	0	0	0	0	0
Communities	Homelessness Museum Resilience	Rental Loans Scheme Contribution	Revenue Revenue	30	20	30 20	30			
				30	20	50	30	0	0	0
Neighbourhoods	Car Parking Car Parking Car Parking Car Parking Car Parking Car Parking North Weald Airfield	Replacement LED lighting New Car Parks ICT infrastructure Lea Valley pay & display Vere Road Pay & Display Vere Road Pay & Display Extension to Vehicle Compound	Capital Capital Capital Capital Capital Revenue Capital	70 40 15 51 4	14 45	84 40 45 15 4 12	0	0	0	0
				180	71	251	0	0	0	0
Resources	Civic Offices ICT	Reception area structural survey Ariel Camera System	Capital Revenue		15 1	15 1				
				0	16	16	0	0	0	0
				210	107	317	30	0	0	0



Report to: Resources Select Committee

Date of meeting: 19 December 2017

Portfolio: Leader (Councillor C. Whitbread)

Subject: Corporate Plan Key Action Plan 2017/18 – Quarter 2 progress

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

Democratic Services Officer: Adrian Hendry (01992 564246)

Recommendations/Decisions Required:

- (1) **That the Committee review the second quarter (Q2) progress of the Corporate Plan Key Action Plan for 2017/18 in relation to its areas of responsibility; and**
- (2) **That the Committee identifies any actions arising from the Corporate Plan Key Action Plan for 2017/18 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 2017/18 was adopted by Council at its meeting on 27 September 2016. Progress in relation to all actions and deliverables is reviewed by the Cabinet, the Overview and Scrutiny Committee, and the appropriate Select Committee, on a quarterly basis.

Reasons for Proposed Decision:

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

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

Other Options for Action:

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

Report:

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

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

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

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

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

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

5. There are 50 actions **in total** for which progress updates for Q2 are as follows:
 - 42 (84%) of these actions have been 'Achieved' or are 'On Target'
 - 2 (4%) of these actions are 'Under Control'
 - 6 (12%) are 'Behind Schedule'

- 0 (0%) are 'Pending'

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

- 7 (78%) of these actions have been 'Achieved' or are 'On-Target'
 - 2 (22%) of these actions are 'Under Control'
 - 0 (0%) 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 2017/18 as set out in Appendix 1 of this report, and identify any actions that require more in-depth scrutiny or further progress reports.
 7. This report will also be considered by the Cabinet on 7 December 2017 and will be considered by the Overview and Scrutiny Committee on 9 January 2018

Resource Implications: None for this report.

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

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

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

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

Impact Assessments:

Risk Management: None for this report.

Equality: None for this report.

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

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

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

Action	Lead Directorate	Target Date	.	Status	Progress notes
12. Produce a plan to implement agreed recommendations from the Service Accommodation Review, to optimise the use of the Council premises	Resources/ Transformation Programme Board	31-Mar-2018		On Target	Q2 - Work progressing well and on target to report to December Cabinet.
					Q1 - On target. Following a competitive procurement exercise PricewaterhouseCoopers have been commissioned to provide support for Phase 2 of the Accommodation Review. The review is scheduled to report to Cabinet in time for consideration for the 2018/19 budget.
13. Deliver the 2017/18 works from the Facilities Management Programme	Resources	31-Mar-2018		Under Control	Q2 - Report scheduled for October Cabinet to explain changes to the programme whilst the accommodation review completes.
					Q1 - Behind target. Several schemes have been put on hold pending the outcome of the Accommodation Review. A revised schedule of works will be presented to Cabinet in the autumn.

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

Action	Lead Directorate	Target Date	.	Status	Progress notes
5. Provide payroll service jointly with Braintree and Colchester Councils and sign up at least one more partner authority or one other authority to buy in our service, to deliver savings	Resources	31-Mar-2018		On Target	Q2 - On target. Work continues on the implementation of other modules, such as car mileage. No success yet on gaining additional partner authority, although there has been some initial interest from more than one party.
					Q1 - The joint working on the payroll service and further development of additional modules continues to go well. Initial discussions have been held with one potential partner but this seems unlikely to proceed at the moment.

6. Implement the recommendations of the Reprographics Service Review, to make savings and improvements to print services	Resources	31-Mar-2018		On Target	Q2 - On target. Internal processes have been amended. Looking at joint procurement of paper and discussions continue on the possibility of a shared service.
					Q1 - The review continues to make good progress and shared service opportunities are being discussed with two other authorities.

Aim 2. To ensure that the Council has a sound and approved Local Plan and commences its subsequent delivery

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

Action	Lead Directorate	Target Date	.	Status	Progress notes
2. Provide sustainable employment opportunities for the district's young people through development of the Council's apprenticeship scheme	Resources	31-Mar-2018		On Target	Q2 - On target. A full cohort of apprentices have been recruited and their training has commenced.
					Q1 - Recruitment processes are underway for the new cohort of apprentices.

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

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

Action	Lead Directorate	Target Date	.	Status	Progress notes
2. Produce a plan to implement the Workforce Development Strategy, to establish a new common operating model	Resources	31-Mar-2018		On Target	Q2 - On target. Cabinet have approved the Programme Definition Document and work has commenced with the LGA.
					Q1 - A Programme Definition Document has been written and meetings are scheduled in July to share this with Portfolio Holders and the Leadership Team.
4. Deliver customer self-service account facilities for residents and businesses so they can receive their bills electronically	Resources	30-Sep-2017		On Target	Q2 - System in place and functioning.
					Q1 - The system has been set up and tested and will now be publicised to encourage take up.

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

Action	Lead Directorate	Target Date	.	Status	Progress notes
2. Implement the ICT Strategy to support the Transformation Programme, including mobile and flexible working	Resources	31-Mar-2018		On Target	Q2 - On target. Good progress continues on the existing strategy and the new strategy will be presented to Members during Q3.
					Q1 - Good progress has been made on both the implementation of the current strategy and the development of the new strategy.
3. Implement use of mobile phone text messages to remind customers when their payment is due	Resources	30-Sep-2017		Under Control	Q2 - Go-live date changed to 30/10. Other Capita work impacted on testing. Tech services creating area for GIM documents for on-line requests for service.
					Q1 - Testing is progressing well and the target date should be achieved.

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Report to: Resources Select Committee

Date of meeting: 19 December 2017

Portfolio: Leader (Councillor C. Whitbread)

Subject: Key Performance Indicators 2017/18 - Quarter 2 Performance

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

Democratic Services Officer: Adrian Hendry (01992 564246)

Recommendations/Decisions Required:

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

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

2. Progress in respect of each of the KPIs is reviewed by the relevant Portfolio Holder, Management Board, and overview and scrutiny at the conclusion of each quarter. This report provides an overview of all KPIs and includes in detail those indicators which fall within the areas of responsibility of the Resources Select Committee
3. A headline end of Q2 performance summary in respect of the KPIs falling within the Resources Select Committee's areas of responsibility for 2017/18, together with a detailed performance report for each of these indicators, is attached at Appendix 1 to this report.

Key Performance Indicators 2017/18 - Quarter 2 Performance

4. The overall position for **all** thirty-two (32) KPIs at the end of the Quarter 2, was as follows:
 - (a) 25 (78%) indicators achieved target;
 - (b) 3 (9%) indicators did not achieve target,
 - (c) 4 (13%) indicators performed within the agreed tolerance for the indicator, and
 - (d) 26 (82%) of indicators are currently anticipated to achieve year-end target, 3 (9%) are uncertain whether they will achieve year-end target and a further 3 (9%) are anticipated not to 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 six (6) indicators, was as follows:
 - (a) 2 (33%) indicators achieved target;
 - (b) 1 (17%) indicators did not achieve target, however 3 (50%) indicators performed within the agreed tolerance for the indicator;
 - (d) 4 (66%) of indicators are currently anticipated to achieve year-end target, 1 (17%) is uncertain whether it will be achieve year-end target and a further 1 (17%)
6. The 'amber' performance status used in the KPI report identifies indicators that have missed the agreed target for the quarter, but where performance is within an agreed tolerance or range. The KPI tolerances were agreed by Management Board when targets for the KPIs were set in March 2017.
7. The Select Committee is requested to review Q2 performance for the KPIs within its areas of responsibility. The full set of KPIs was also considered by Management Board on 15 November 2017 and the Finance and Performance Management Cabinet Committee on 16 November 2017.

Resource Implications: none for this report

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

Safer, Cleaner, Greener Implications: none for this report

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

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

Impact Assessments:

Risk Management: none for this report

Equality: none for this report.

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Key Performance Indicators 2017/18 – Quarter 2 Performance Report

Resources Quarterly Indicators		Q1 2017/18			Q2 2017/18			Q3 2017/18			Q4 2017/18			Is year-end target likely to be achieved?
		Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status	
RES001	How many working days did we lose due to sickness absence?	1.62	1.27		3.22	3.39		5.43			7.25			Yes
RES002	What percentage of the invoices we received were paid within 30 days?	97%	96%		97%	96%		97%			97%			No
RES003	What percentage of the district's annual Council Tax was collected?	27.55%	27.64%		52.54%	52.52%		77.84%			97.8%			Yes
RES004	What percentage of the district's annual business rates was collected?	28.84%	29.25%		53.28%	53.97%		78.06%			97.8%			Yes
RES005	On average, how many days did it take us to process new benefit claims?	21	22.31		21	21.82		21			21			Uncertain
RES006	On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?	9	7.55		9	7.44		9			6			Yes

Key Performance Indicators 2017/18 Quarter 2 Performance

Report Author: Monika Chwiedz (Performance Improvement Officer)

Reflecting on our performance:

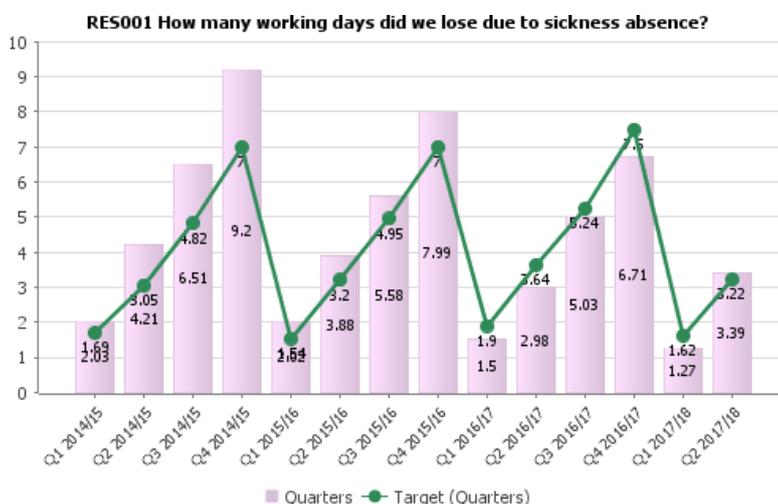
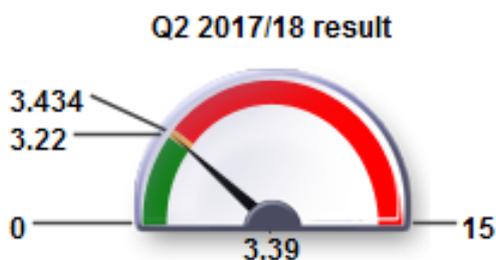
There are 32 KPIs for this year

25 (78%) achieved target and 3 (9%) missed target and 4 (13%) performed within their amber tolerance.

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

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

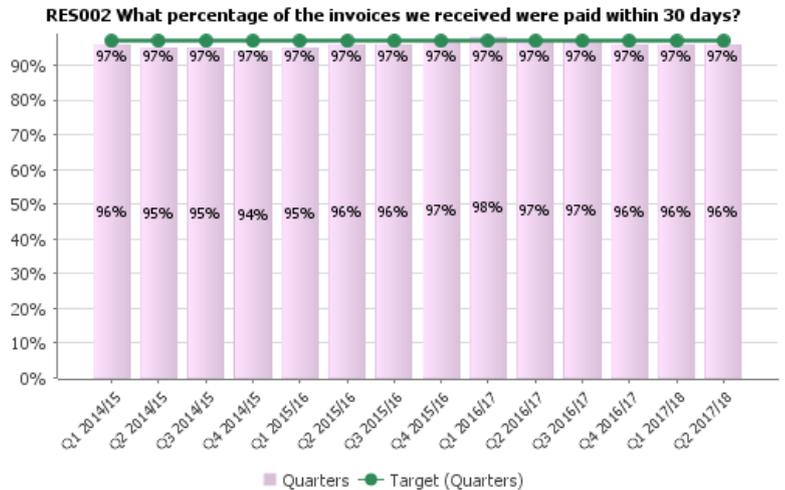
This indicator monitors the level of staff sickness absence across the authority, and supports the implementation of the Council's Managing Absence Policy. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date.



Comment on current performance: Figure is 0.17 above target. If all else remains the same we might reasonably hope to remain within the annual target of 7.25. However winter season is due so we should not be complacent.

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

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

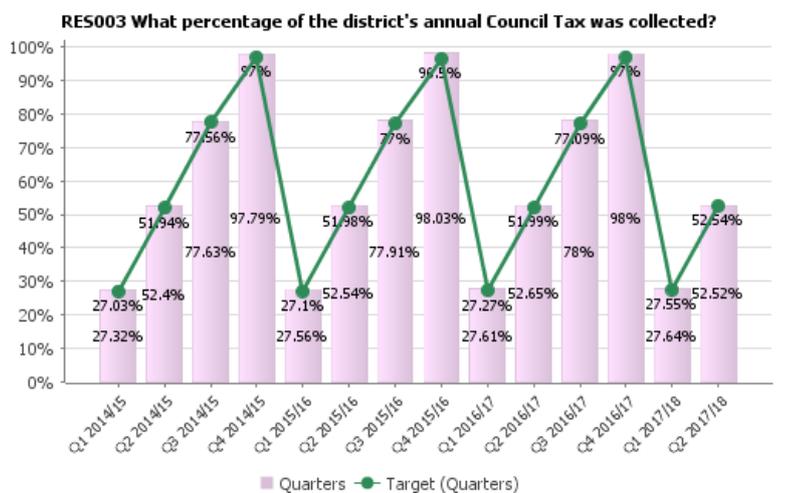
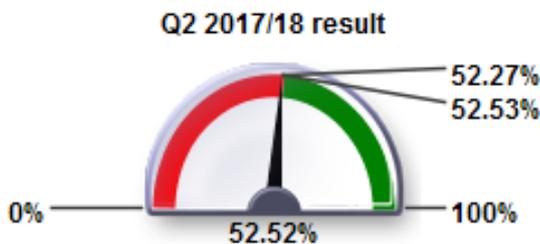


Comments on current performance: Performance still below target, although a slight improvement has been made.

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

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

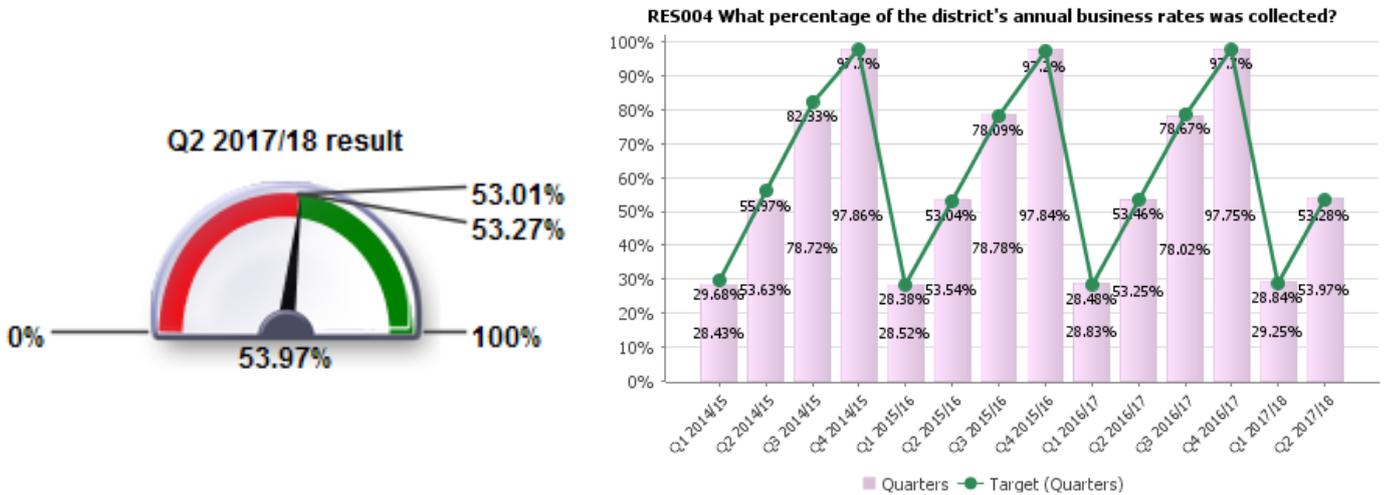
This indicator monitors the rate of collection of Council Tax. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date.



Comment on current performance: Performance is slightly below target and last year's performance. There has been a recent increase in debit due to new properties which will be collected over the remainder of the year.

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

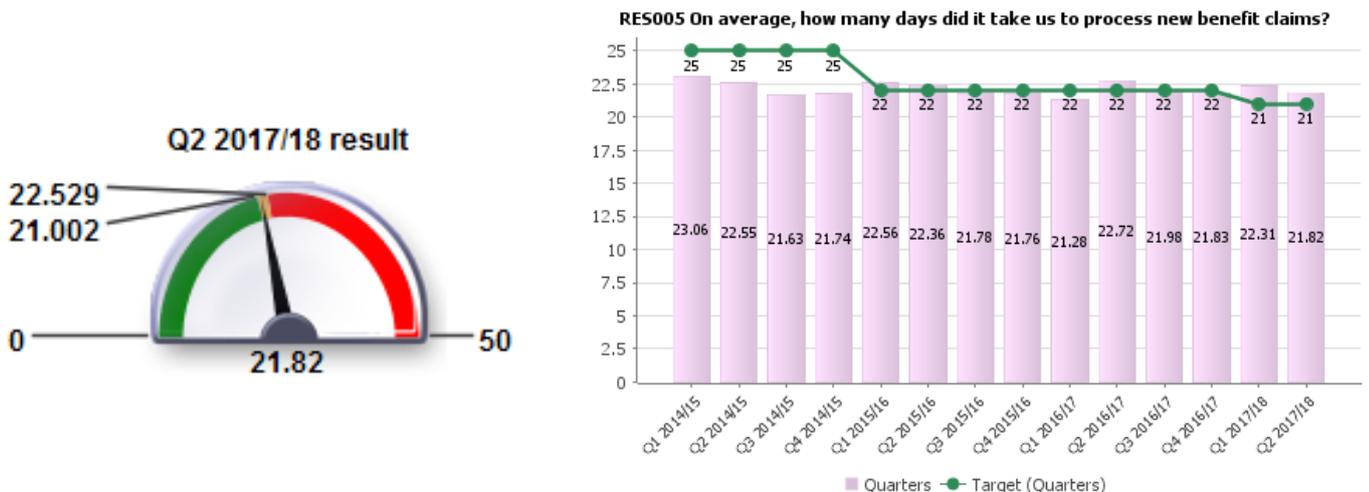
This indicator monitors the rate of collection of National Non-Domestic rates. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date.



Comment on current performance: The performance is above target and also exceeds last year at the same stage.

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

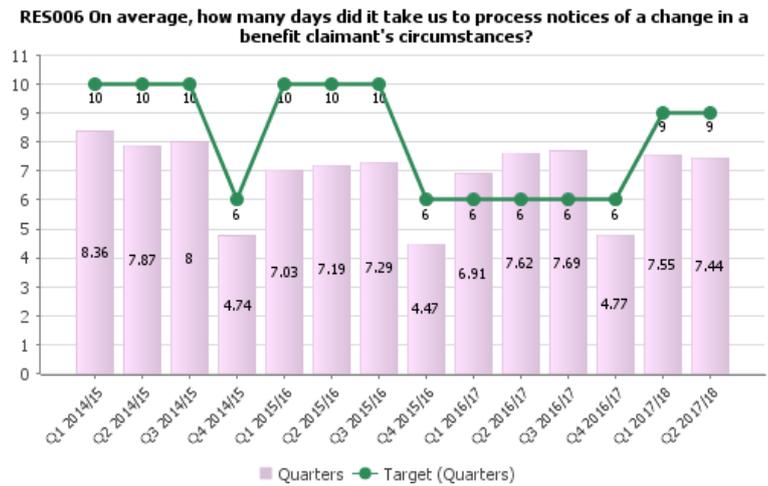
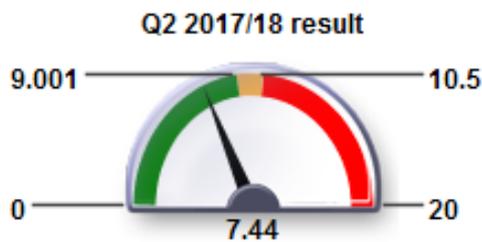
This indicator monitors the administration of Housing and Council Tax Benefit. Targets and performance are measured in days.



Comment on current performance: Calculation = Total no of days/total number of new claims = 27,446/1,258 = 21.82

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

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



Comment on current performance: Calculation = Total number of days /total number of changes = 93,464/12,567 = 7.44

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Report to the Resources Select Committee

Date of meeting: 19 December 2017

Portfolio: Finance

Subject: Quarterly Financial Monitoring

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

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



SCRUTINY



Epping Forest District Council

Recommendations/Decisions Required:

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

Executive Summary

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

Reasons for proposed decision

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

Other options for action

No other options available.

Report:

1. The Committee has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This is the second quarterly report for 2017/18 and covers the period from 1 April 2017 to 30 September 2017. The reports are presented based on which directorate is responsible for delivering the services to which the budgets relate and the budgets themselves are the original estimate.

2. Salaries monitoring data is presented as well as it represents a large proportion of the authorities expenditure and is an area where historically large under spends have been seen.

Revenue Budgets (Annex 1 – 6)

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £153,000 or 1.3%. The underspend in percentage terms has reduced significantly since quarter 1 but in monetary terms has hardly changed. At the second quarter last year the underspend was 3.0%.

4. Resources is showing the largest underspend of £141,000, this relates mainly to Housing Benefits, Facilities Management and Revenues. Communities shows an underspend of £47,000 relating to Communities Policy, Housing Works unit and Housing Management.

However an over spend is showing on both Governance and Neighbourhoods of £19,000 and £15,000 respectively. With respect to Governance some additional costs are being incurred in Land Charges and Development Control, and in Neighbourhoods in Forward Planning and Estates.

5. The investment interest is below the budget. Interest rates are now only a little over 0.1% and money is primarily being held short term because of the significant capital commitments coming up. There has been some talk of a possible interest rate increase but when or if this happens is open to speculation.

6. Development Control income at Month 6 is down on expectations. Fees and charges were £55,000 lower than the budget to date and pre-application charges are in line with expectations. There have been few major schemes come through so far this year and this may be due to developers awaiting the publishing of the Local Plan. Fees are not really showing any signs of recovery yet so it is likely that the budget will need to be revised downwards.

7. Building Control income was £64,000 higher than the budgeted figure at the end of the second quarter. The ring-fenced account has assumed a deficit of £129,000 for this year due to the amount of scanning work required, however based on income levels to date it is possible the account may breakeven.

8. Although Public Hire licence income and other licensing is above expectations, the Public Hire figures shown include £27,000 relating to future years so in reality income relating to 2016/17 is £7,000 down.

9. Income from MOT's carried out by Fleet Operations is now a little above expectations. The service has been located at Oakwood Hill depot for about a year so the uncertainties experienced previously should now have been overcome. The account is budgeted to show a deficit of around £62,000 however this included an estimate for business rates which has proved to be too high so a reduced deficit is now likely.

10. Car Parking income is a little below expectations at month 6, some additional spaces are being provided at Oakwood Hill and Vere Road though there has been a delay in these becoming operational which accounts for some of this income loss.

11. The shopping park is included as the first units are now due to pay rent. Income in 2017/18 will be around £200,000 lower than expected as some units were let later than expected and tenants had not been identified for all units when the budget was set. Having said that there is additional income from Industrial Estates and Commercial lets which should mitigate this to some extent. Once all units are occupied and rent free periods passed rental income is still expected to be around £2.5 million per annum.

12. Local Land Charge income is £9,000 above expectations. The budget had been reduced in the prior year as there have been fewer searches undertaken recently however there appears to be an improvement so far this year. Also the turn-around times have begun to improve over the last month or so.

13. Expenditure and income relating to Bed and Breakfast placements has been on the increase. Most are eligible for Housing Benefit and although some will be re-imbursed by the Department for Work and Pensions it is only around 50%, leaving a similar amount to be funded from the General Fund. Growth of £12,000 has been included in 2017/18 and although expenditure is running ahead of this there has been less marked since month 4. It is understood that a few cases have been rehoused in the Zinc Arts scheme. It is too early to say whether this reduction in placements is likely to continue so further growth cannot be ruled out.

14. The waste management contract shows some underspend due to timing. The leisure

contract payments are now on track.

15. The Housing Repairs Fund shows an underspend of £84,000. There are underspends showing on both Planned Maintenance and Responsive work. There is also a variance on HRA Special Services which relate mainly to tree maintenance and utility costs.

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

Business Rates

17. This is the sixth year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council. There are proposals that all Business Rates be retained within the local government sector though this actually happening is unlikely to be before the year 2020/21. In any event the proportions retained by each local government tier is likely to change and if additional resources are made available they will no doubt be accompanied by additional responsibilities.

18. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash.

19. The resources available from Business Rates for funding purposes is set in the January preceding the financial year in question. Once these estimates are set the funding available for the year is fixed. Any variation arising from changes to the rating list or provision for appeals, whilst affecting funding do not do so until future years. For 2017/18 the funding retained by the authority after allowing for the Collection Fund deficit from 2016/17 is £3,499,000. This exceeded the government baseline of £3,110,000 by some £389,000. The actual position for 2017/18 will not be determined until May 2018.

20. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances. At the end of June the total collected was £17,728,417 and payments out were £17,192,004, meaning the Council was holding £536,413 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

Capital Budgets (Annex 7 - 11)

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the three months to 30 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 carry forwards, due to 2016/17 slippage.

Major Capital Schemes (Annex 12)

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

Conclusion

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

25. The Committee is asked to note the position on both revenue and capital budgets as at Month 6.

Consultations Undertaken

This report was presented to the Finance and Performance Management Cabinet Committee during November.

Resource Implications

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

Legal and Governance Implications

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

Safer, Cleaner, Greener Implications

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

Background Papers

Various budget variance working papers held in Accountancy.

Impact Assessments

Risk Management

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

Due Regard Record

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

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

Date / Name	Summary of equality analysis
27/11/17 Director of Resources	The purpose of the report is to monitor income and expenditure. It does not propose any change to the use of resources and so has no equalities implications.

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SEPTEMBER 2017 - SALARIES

<u>DIRECTORATE</u>	<u>2017/18</u>			<u>2016/17</u>		
	<u>EXPENDITURE TO 30/09/17</u>	<u>BUDGET PROVISION (ORIGINAL)</u>	<u>VARIATION FROM BUDGET (ORIGINAL)</u>	<u>EXPENDITURE TO 30/09/16</u>	<u>BUDGET PROVISION (ORIGINAL)</u>	<u>VARIATION FROM BUDGET (ORIGINAL)</u>
	<u>£000</u>	<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	263	262	0.4	148	146	1.4
RESOURCES *	2,872	3,013	-4.7	2,806	2,927	-4.1
GOVERNANCE *	1,860	1,841	1.0	1,825	1,844	-1.0
NEIGHBOURHOODS *	2,630	2,615	0.6	2,360	2,477	-4.7
COMMUNITIES *	3,917	3,964	-1.2	3,773	3,856	-2.2
TOTAL	11,542	11,695	-1.3	10,912	11,250	-3.0

* Agency costs are included in the salaries expenditure.

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

	17/18 Full Year Budget £'000	Second Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	125	81	77	86	-4	-5	There are no major variances.
Bed & Breakfast Accommodation	271	135	190	147	55	41	The anticipated increase in caseload has been exceeded and this is expected to continue. As a result, expenditure in the first half year is higher than expected but rental income has also risen during the same period, as seen below.
Disabled Facility Grants	630	315	198	633	-117	-37	The Council has a legal duty to provide Disabled Facility Grants to all residents who meet the eligibility criteria. These grants are used for disabled adaptation works such as stair lifts, disabled entry solutions and bathroom renovations and will be fully funded by the Better Care Fund. Expenditure to 30 September 2017 was £198,000 but there are some large grants committed but not paid and demand is rising.
Grants to Voluntary Groups	88	30	24	22	-6	-20	It is difficult to accurately forecast expenditure patterns from year to year as timings are dependent on the receiving organisations providing the necessary information to enable grants to be released. As a general rule, however, expenditure is usually lower in the first six months as grant release tends to be slow initially. Given the forecast profiling for the current financial year, no major variances have occurred.
Voluntary Sector Support	174	93	93	93	0	0	There are no variances.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	280	140	188	153	48	34	Rents are higher than expected due to the increased caseload.
	1,568	794	770	1,134			

	17/18 Full Year Budget £'000	Second Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
Major income items							
Development Control	1,098	536	481	597	-55	-10	The first half of 2017/18 has seen reduced levels of fee income compared to the same period of the previous year and the budget to date. This is possibly because major developers are awaiting the publication of the Local Plan prior to submitting any planning applications within the district.
Building Control Fee Earning	450	242	306	149	64	26	Uncertainty in the housing market is having a positive effect on the Building Control fees which has exceeded the profiled budget and the previous year actual. In addition, the Building Control service have formed a number of partnerships with outside bodies helping to resist the threat of competition from the commercial sector.
Local Land Charges	164	87	96	86	9	10	In previous years searches had been rather low, but in the first half of 2017/18 the land Charges section have seen a modest increase.
	1,712	865	883	832			

	17/18	Second Quarter			17/18		Comments
	Full Year	17/18	17/18	16/17	Variance		
	Budget	Budget	Actual	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	£'000	%	
Major expenditure items:							
Refuse Collection	1,417	476	460	452	-16	-3	} No major variances.
Street Cleansing	1,375	447	445	443	-2	0	
Recycling	2,870	932	856	898	-76	-8	The in-year variance is due to the increased number of properties estimated not materialising to date. The variance between years is due to a 3 month rebate adjustment for recyclate and an increase in collections from an additional 603 properties from 2015/16.
Highways General Fund	112	71	54	18	-17	-24	The level of replacement of street furniture and litter bins is hard to predict and hence causes timing differences on expenditure. The variance between years is due to match funding of the Highways panel (See Cabinet report C-071-2016/17).
Off Street Parking	442	235	224	243	-11	-5	The in year variance is due to contractor payments being one month in arrears of budget phasing at present. The main variance between years is due to a saving being generated from a change of contractor.
North Weald Centre	207	114	111	103	-3	-3	No major variances
Land Drainage & Contaminated Land	347	39	22	23	-17	-44	This is a maintenance driven budget and has a volatile pattern of spend. Generally though expenditure is heavier in the winter months.
	6,770	2,314	2,172	2,179			

	17/18 Full Year Budget £'000	Second Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning/Local Plan	1,248	517	303	237	-214	-41	There is some slippage on the overall programme due to its complex nature. An update report went to the October Cabinet meeting as additional funding is required to complete the programme.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-158	-66	-66	-47	0	0	As the new leisure contract is paid via Direct Debit no variances will arise in year. The variance between years is indicative of the saving being generated in the contract in the first year.
Epping Sports Centre	234	98	98	106	0	0	
Waltham Abbey Pool	8	3	3	87	0	0	
Ongar Sports Centre	98	41	41	50	0	0	
	182	76	76	196			

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DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	17/18 Full Year Budget £'000	Second Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
Major income items:							
Refuse Collection	77	38	41	35	3	8	No major variances.
Recycling	1,485	351	337	261	-14	-4	Essex County Council are generally slow in sorting out the Avoided Disposal Costs for the previous financial year, and with a reducing amount outstanding the current years income has increased compared to the previous year. This is coupled with an increase in residents recycling.
Off Street Parking	1,415	652	625	578	-27	-4	No major in year variance. The variance between years arises due to the timing of the receipt of Penalty Charge Notices and Telephone Banking since taking the contract away from NEPP.
North Weald Centre	812	506	554	498	48	9	Both casual and market rents are in advance of original estimates due to favourable rent increases.
Hackney Carriages	181	90	86	122	-4	-4	No major in-year variance. The variance between years is due to the number of "Driver" licences plates being issued being significantly reduced due to a change in policy of issuing these types of licences over a 3 - 5 year period.
Licensing & Registrations	114	57	50	39	-7	-12	No major variances
Fleet Operations MOTs	205	103	112	89	9	9	The relocation of the service to Oakwood Hill has now been completed and the income is showing signs of recovery.
	4,289	1,797	1,805	1,622			

	17/18 Full Year Budget £'000	Second Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,259	905	1,025	821	119	13	A number of leases have had favourable rent reviews this year across all estates. An analysis of the additional income is being done to establish how much of this can be added into the CSB.
Business Premises - Shops	2,204	1,653	1,808	1,616	155	9	Some new lease renewals are now coming to fruition. An analysis of the additional income is being done to establish how much of this can be added into the CSB.
Epping Forest Shopping Park	490	121	0	N/A	-121	-100	Due to delays caused by the highway works and delays in completing the lettings the estimate will not be met this year and figures will be adjusted at revised estimate time.
Land & Property	215	111	144	62	33	29	The lease on the David Lloyd Leisure Centre has been revised, whereby the Council now receives rental income rather than wait for the year-end turnover of the centre before receiving a major element of income.
	4,169	2,790	2,978	2,499			

	17/18 Full Year Budget £'000	Second Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	582	83	109	179	26	31	Expenditure fluctuates from one year to another due to Building Maintenance works being determined on a rolling five year programme which identifies and prioritises the works required to the non-office assets but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The actual spend to date at quarter two is lower than the previous year due to some planned maintenance works placed on hold pending the outcome of the next stage of the accommodation review in November/December.
Information & Communication Technology	1,003	811	812	710	1	0	The full year budget includes the cost of the councils Multi-Function Devices, Network Telephone & Mobiles, provision of the Service Desk and maintenance for all Systems in use. Expenditure is in line with the current budget spending profile as the renewal of maintenance contracts for the Councils systems are paid at the beginning of the year with network and consultancy charges continuing to be paid throughout the year.
Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates)	280	70	87	90	17	24	2017/18 has seen a further increase in the number of homeless people placed in Bed and Breakfast accommodation compared to the current profile. Whilst some growth was included in the original budget this will need reviewing during the forthcoming budget process.
Bank & Audit Charges	122	32	25	25	-7	-22	No significant expenditure occurs in either audit or bank charges until quarter 2.
	1,987	996	1,033	1,004			
<u>Major income items:</u>							
Investment Income	194	90	81	182	-9	-10	As the capital programme gathers pace investment funds are being kept at periods of approximately 3 months as against 5 months when the estimates were set and investing in shorter periods gives lower interest rates. The variance between years is also due to the average balance invested being almost half compared to 2016/17.
	194	90	81	182			

	17/18 Full Year Budget £'000	Second Quarter			17/18 Variance Budget v Actual		Comments
		17/18 Budget £'000	17/18 Actual £'000	16/17 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	289	113	101	121	-12	-11	Expenditure is lower than expected in the first half of 2017/18 due to less spend on consultants and professional fees within the Policy & Management budget than originally anticipated.
Housing Repairs	6,063	1,290	1,206	1,723	-84	-7	This underspend relates to expenditure on planned maintenance (£22,000), responsive repairs (£32,000) and engineering maintenance (25,000). With regard to responsive repair works, it is always difficult to forecast when they will arise due to the demand-led nature of the works.
Special Services	1,108	381	373	356	-8	-2	The underspend in this section relates to utility costs and caretaking and cleaning.
	7,460	1,784	1,680	2,200			
<u>Major income items:</u>							
Non-Dwelling Rents	893	444	425	431	-19	-4	The reduction in income relates to garage rents.
Gross Dwelling Rent	31,613	15,807	15,759	15,879	-48	0	The reduction in rental income from dwellings this financial year compared to 2016/17 is due to the rent decrease of 1% from April 2017, combined with reduced stock numbers due to the high number of Right To Buy sales last year. Void levels are around 1%, running broadly in line with expectations.
	32,506	16,251	16,184	16,310			

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

Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Bridgeman House	177	0	0	0	0	The original use of this budget was to purchase office space on the second floor of Bridgeman House, above the Museum, to facilitate relocation of the Community Services team and to use as a new storage facility for the Museum Reserve Collection. Since the budget was set up the purchase of the office space has become unviable; the Council is still actively seeking another suitable option.
CCTV Systems	87	31	12	-19	-62	The installation of a replacement CCTV system at the old Bobbingworth Tip was commissioned at the end of quarter two on behalf of the Flood Alleviation Team, after the original system started to fail (see Annex 8b). Two new rapid-deploy cameras have been procured and awaiting invoicing during quarter 3 to replace the cameras that were stolen at the Hill House development site; the Council is currently proceeding with recovery efforts through the insurance company. The systems that will monitor the new leisure centre at Hill House and adjacent shopping parade are likely to be installed in 2018/19 once the construction works have been completed, whilst the progress of the Epping High Road system has been delayed due to the complexity of the specification. A recommendation to carry forward both budgets will be submitted as part of the Capital Review.
Carpark CCTV Systems	54	0	0	0	0	The car park CCTV installation programme has been working in conjunction with the "Invest to Save" LED lighting scheme (see Annex 8) with three car parks in Waltham Abbey identified for installations in 2017/18. The planning application for Darby Drive was approved in October with all three locations having now been put out to tender. It is expected that Cornmill will be commissioned before Christmas, with the remaining two sites (Darby Drive and Quaker Drive) both being finished early in 2018. The budget is expected to cover the costs of 3 of the 7 remaining car parks. It is likely that an additional allocation will be sought for the last 4 carparks.
Housing Estate Parking	550	0	0	0	0	The off-street parking schemes undertaken on Council owned land is jointly funded between the HRA and General Fund. The General Fund proportion of costs will be allocated at year-end. Due to the complications outlined in Annex 10 expenditure is anticipated to be very low, therefore the 2017/18 budget will be re-assessed in quarter 3 as part of the Capital Review with a view to recommending a carry forward of £510,000.
Total	868	31	12			

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

Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park	6,257	4,693	4,346	-347	-7	Please see major scheme tab for details on this scheme. This budget refers to the construction works.
Glyn Hopkin Expansion	990	990	1,042	52	5	Glyn Hopkin Ltd (GHL) operates a motor car dealership located on the corner of Brooker Road/Cartersfield Road in Waltham Abbey. GHL expressed a desire to surrender their existing lease and obtain a new lease for the whole area of their premises which would permit full motor dealership use. With the acceptance of the new lease the rent of the premises has increased with 5-yearly upward-only rent reviews. The variance for this scheme includes additional costs relating to legal fees & stamp duty fees which were funded by EFDC after the Cabinet report was submitted, but were not identified in the original structure of the lease.
Hill House Development	130	0	0	0	0	The Council has entered into a Section 106 agreement to provide compensatory facilities as the development of the new Leisure Centre (as well as the Hill House Centre and Independent Living Scheme) will mean a loss of sports pitches in the area. EFDC are required to undertake a playing pitch strategy to identify the best location for spending the S106 contributions. This strategy is not due for completion until early in the 2018/19 financial year and therefore the budget will be carried forward as part of the Capital Review.
Town Mead Depot	100	0	0	0	0	A supplementary provision of £100,000 has been made within the Council's Capital Programme to undertake the necessary alteration works to accommodate the Pyrles Lane Nursery and Landscape Service at the Townmead Depot at Waltham Abbey. A further £45,000 will be recommended to be absorbed as part of the Capital Review from Facilities Management to undertake the remaining health and safety adaptations following the audit of the Depot (see Annex 9). As the project is in the early stages of design and consultancy, a large portion of the project will not be undertaken until the new financial year.
Total c/f	7,477	5,683	5,388			

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

Total b/f	7,477	5,683	5,388			
Car Park Schemes	277	99	0	-99	-100	This section comprises of 5 different schemes. 1) Lee Valley have made their own arrangements to install their pay and display machines meaning the budget of £15,000 is now surplus to requirements. 2) The installation of new 4G pay and display machines in each of the Council's car parks is now complete with a significant underspend on this project. 3) The Council have purchased new pay and display machines and commenced the signing and lining for the new car park at Oakwood Hill. There have been some delays due to a land ownership dispute which has led to an unforeseen boundary fence needing to be constructed; therefore some of the works will slip into the next financial year. 4) After the upgrade of the LED lighting at Traps Hill car park in Loughton, the next phase of the project is currently going through the procurement process with the majority of the remaining works slipping into the next financial year. The original specifications for the works have changed with the budget expected to be overspent. It will be recommended as part of the Capital Review that the savings from the Lee Valley car park and the pay and display installations will be transferred to cover these unexpected costs. 5) A consultancy team has been appointed to advise the Council on the demolition of the garages at Vere Road and the re-designing of the car park to maximise spaces. Surveys and design works are expected before the end of the financial year, whereas the demolition of the garages and other works for the car park are expected to slip into 2018/19.
Other Schemes	96	5	4	-1	-16	There are 4 schemes within this section. 1) The waste management equipment budget is earmarked for waste and recycling bins provided to new properties around the district and will be recharged at the end of the financial year. 2) The Ground Maintenance vehicle replacement scheme has received delivery of a new mower. Quotes for a new truck to replace an ageing vehicle have been received but will exceed the current allocation for 2017/18 and therefore a recommendation will be submitted to bring forward a future budget to cover these costs. A financial analysis comparing the costs of leasing to the costs of purchasing a new fleet of mowers is underway with a report anticipated on the conclusion of this analysis. 3) Flood alleviation works to replace the failing CCTV systems at the old Bobbingworth Tip has been completed (see Annex 7). There have been further unexpected failures to the main control unit and pumps at Bobbingworth Tip, which are likely to put the current allocation overspent. The Flood Alleviation team are currently evaluating the potential risks of further equipment failures before submitting a new report to secure future capital funding. 4) The "Invest to Save" scheme to extend the vehicle compound at North Weald 240 Building is awaiting planning permission before works on the compound can begin. The works are not expected to start until the new financial year.
Total	7,850	5,787	5,392			

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

Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Transformation Projects	120	0	0	0	0	The Accommodation Review has now reached the detailed feasibility stage and a budget of £120,000 has been re-allocated from the Bridgeman House to cover these costs (see Annex 7). The interim invoice will be paid in early quarter 3 with the remainder to be paid before the end of the financial year.
Active Planned Maintenance Projects	378	113	6	-107	-95	This section includes the schemes for works on buildings that do not fall under the scope of the Accommodation Review. There was limited spend to month 6 due to a combination of delays to projects previously within the scope of the Accommodation Review, projects currently awaiting results of planning applications, and projects being in design stages. The current spend shown represents preliminary works on multiple schemes including the Waltham Abbey Museum roofing works, North Weald Gatehouse window replacements and the fencing works around Town Mead Depot. The Council are awaiting quotes for the installation of fire alarm detection and loops around the Civic Offices and the replacement of the North Weald Gatehouse windows, with works on both schemes expected to start in quarter 3. The Museum reroofing works have been delayed after finding higher than expected level of asbestos; however works are still expected to be finished before Christmas. The health and safety works at Town Mead Depot are continuing to progress after an order to procure the fencing panels was placed; works on construction of the boundary fence are expected to commence on delivery. The remainder of this budget will be recommended as part of the Capital Review to be vired in addition to the supplementary provision for necessary alteration works at Town Mead Depot (see Annex 8b) after a duplication of works was found.
On-Hold Planned Maintenance Projects	604	0	0	0	0	Many of the schemes in the planned maintenance programme relating to the civic offices have been placed on hold pending the outcome of the Accommodation Review. Expenditure will be limited to some minor design works.
ICT Projects	415	119	174	56	47	The ICT schemes are continuing to progress well with several more schemes being completed in quarter 2; however some projects are still being delayed or put on-hold awaiting the recommendation of the Accommodation Review. As expected the upgrade to the Gazetteer's corporate address database is now complete, as is the upgrade to the OHMS system which has enhanced the systems' interface to other housing systems. This progress is expected to continue in quarter 3 with the replacement of the corporate main firewalls, the remote support tools that allows external troubleshooting of PC's and laptops, and the gazetteer software replacement. In addition to the pilot upgrade of the Citrix servers, which has already been identified as a potential carry forward, the planning system upgrade, telephone system extension and installation of power supply to remote sites will all be recommended to be carried forward due to a combination of staffing capacity and the outcome of the Accommodation Review.
HR/Payroll System	20	5	5	0	0	This budget is a continuation of the 2016/17 budget for the implementation of the Human Resources/Payroll system. Works to scope and build the Human Resources system, including the Employee/Manager Self-Service, health and safety, recruitment and learning elements were rolled out at the beginning of the financial year; the invoices are currently awaiting payment.
Total	1,537	236	185			

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

Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Housebuild Phase 1	1,155	1,155	1,131	-24	-2	Please see major scheme tab for details on this scheme.
Housebuild Phase 2	8,131	4,435	1,759	-2,676	-60	Please see major scheme tab for details on this scheme.
Housebuild Phase 3	4,920	2,684	1,468	-1,216	-45	Please see major scheme tab for details on this scheme.
Other Housebuilding	707	289	286	-3	-1	The moratorium has been lifted on Phases 4 to 6 with the budget allocations to be included in the capital programme as part of the Capital Review in the autumn. The budget of £707,000 shown here represents the remaining allocation in respect of the Barnfield development where hand-over of the 8 affordable rented houses built as part of a S106 development by Linden Homes is due in December. Regarding Phases 4 to 6, planning permission has been granted for 22 sites, which when developed will deliver 58 new homes. Four sites are yet to be granted planning permission, which if approved will deliver a further 34 homes. This leaves 13 sites where planning permission has been refused. The Council House-building Cabinet Committee has yet to decide on what they want to do with these sites, but one option is to sell them on the open market and use the capital receipt to fund the house-building programme.
Housing Conversions	0	0	-18	-18	0	The conversions at Marden Close and Faversham Hall were completed in 2015/16. The final account is currently being negotiated and is expected to be in the region of £92,000.
North Weald Depot	2,414	0	0	0	0	After a successful feasibility study in relocating the Housing Repairs Service and the Housing Assets team to the Oakwood Hill Depot, Cabinet decided in favour of expanding the Oakwood Hill Depot and ceasing the plans to the North Weald Depot. A budget of £775,000 has been allocated from the North Weald Depot scheme to the Oakwood Hill expansion with the rest being identified as savings.
Oakwood Hill Depot Expansion	775	0	0	0	0	The initial costs for the planning application will follow the parking review survey which is currently being conducted between Debden Station and the depot. The rest of works are expected to slip into the new financial year on the condition that the planning application is approved.
Policy Changes in 17/18						Members approved the change of policy from a modern homes standard to a decent homes standard starting in the financial year 2017/18. This will reduce the capital spend on HRA projects and has caused many of the capital schemes to show underspends to the current budgets and savings will be identified as part of the Capital Review.
Heating / Rewire	3,725	1,609	1,146	-462	-29	Gas heating is still currently showing the largest underspend of the category; however three installations at Leonard Davies House, Frank Bretton House and Jessopp Court are expected to be completed before the end of the financial year with the budget on target to be fully spent. Due to limited demand for installation of air source heating, there has been no installations of the Mechanical Ventilation Heat Recover (MVHR) systems with the majority of the budget being recommended to be taken as a saving in the Capital Review. Similarly, a saving has been identified in the water tanks scheme after all planned works were completed in quarter 2.
Kitchen & Bathrooms	2,680	1,340	741	-599	-45	The kitchen and bathroom programmes are showing significant underspends due to a combination of the policy change from modern to decent homes and some installations being put on hold as a result of tenants being in arrears with their rents. Savings have been identified in this category.
Other Repairs & Maint	250	118	91	-27	-23	Feasibility studies have been identified including relocating staff and workshop from Epping Depot to the Oakwood Hill Depot. With reduced capital works being undertaken there is a lower demand for asbestos removal works.
Total c/f	24,757	11,629	6,604			

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

Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	24,757	11,629	6,604			
Windows / Doors / Roofing	2,588	1,232	1,043	-189	-15	Fire safety has been highlighted due to recent events at Grenfell Tower with EFDC actively pursuing options with leaseholders to upgrade fire doors in flats around the district. An accelerated programme has been put in place until the end of the year with the budget expected to be fully spent. After the termination of the double glazing contractor, the next phase of works will go out to tender with works expected to slip into the next financial year. The tiled roofing scheme is currently on target with the flat roofing scheme expecting to commence in quarter three. The balcony resurfacing scheme has faced delays due to staffing capacity and will be recommended to be carried forward into 2018/19 in the Capital Review.
Other Planned Maintenance	358	179	21	-158	-88	This category includes Norway House improvements, door entry system installations and energy efficiency works. The ad-hoc nature of the energy efficiency scheme makes budgeting difficult and this year the budget is expected to be considerably underspent by the end of the year, and future year budgets are being re-assessed. The door entry system scheme will be accelerated after crime and vandalism issues at the Hill House estate.
Garages & Environment Works	1,289	307	13	-294	-96	Considerable delays to the construction of the off-street parking areas at Torrington Drive and Paley Drive have occurred, including the main contractor going out of business. A new contractor is now on site at the former and the work is out to tender at the latter. The works at Torrington Drive are expected to be completed by the end of the financial year but the majority of the works at Paley Drive will slip into 2018/19. The estates environmental works are currently behind schedule due to staff capacity issues with only a small portion of works expected to be completed by the end of the year. The CCTV installation at Limes Farm Yellow Block is expected to be completed in October, whilst a replacement system at Norway House is being installed in quarter 4.
Structural Schemes	1,593	322	683	362	113	The year to date budget for miscellaneous structural works is considerably overspent due to the HRA stock being relatively old, with cracks in plaster and walls being a significant issue. It will be recommended in the Capital Review that some of the savings identified in the other categories will supplement this budget. Design specifications for the replacement of 9 lifts in Limes Farm estate is currently progressing, however works are not expected to start on site until quarter 3; consequently the remainder of the works will slip into the new financial year.
Disabled Adaptations	450	225	244	19	8	Disabled adaptations works are continuing to progress well with two large extensions at Valley Hill and Greensted Road remaining. The budget is currently expected to be fully spent by the end of the year.
Service Enhancements	455	228	17	-210	-92	The front door replacement programme for leaseholders is facing the same urgency as other replacement door programmes due to fire safety regulations. However, due to significant leaseholder issues, a large portion of the works are expected to slip into the next financial year. The Oakwood Hill enhancement programme has also faced considerable delays and will be recommended to be carried forward in the Capital Review. The Smart Store IT system for the repairs service is now operational and will be invoiced in quarter 3.
Replacement Housing Vehicles	158	107	107	0	0	A total of 7 vans have been delivered to replace an ageing fleet with another 2 being identified for delivery later in the year. One of the older housing repairs vehicles was stolen at the end of quarter two and will be replaced before the end of the year; the Council is currently proceeding with recovery efforts through the insurance company.
Work On 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	31,348	14,227	8,732			

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

REFCuS Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
EFDC Shopping Park Parking & Traffic Schemes	3,014 265	2,009 0	2,457 0	448 0	22 0	Please see major scheme tab for details on this scheme. This budget refers to the S278 works. After designs were completed and advertised at the end of 2016/17 by North Essex Parking Partnership, Phase 1 of the Loughton Parking review went live in August. Phase 1 consists of 14 on-street parking schemes located around Loughton including Oakwood Hill, Rectory Lane and Langston Road. A meeting to discuss the designs of Phase 2 will be held in early quarter 3 and will allow time to evaluate the resident's response to Phase 1, get approval to commission a car park capacity survey, and pinpoint potential locations in and around Debden Station. Costs in 2017/18 will consist of further public consultation, design and advertising with the rest of the works slipping into the next financial year.
Total	3,279	2,009	2,457			

Capital Loan Scheme	17/18	Second Quarter		17/18 Variance		Comments
	Full Year Budget	17/18 Budget	17/18 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Private Sector Housing Loans	150	75	37	-38	-51	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. Up to the end of quarter 2, £37,000 has been spent with an additional £83,000 currently either in application or approval stage.
Total	150	75	37			

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

HOUSE BUILDING PHASE 1										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	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 Unspent to Date £'000 (C-D)
Apr-14	Jun-15	Oct-14	Nov-17	3,948	1,887	5,835	5,945	6,404	10%	-110
<p>Work started on phase 1 of the Council's Housebuilding Programme in October 2014 to construct 23 new homes for rent. This included 14 houses and 9 flats on four different sites in Waltham Abbey. However, the works did not progress in line with the original contract period, which had a completion date of 13 November 2015. A certificate of non-completion was served on the contractor Broadway Construction Ltd, and liquidated and ascertained damages were deducted from each payment at a rate of around £10,200 per week thereafter. These damages were set to reflect the loss of rent for the properties and the cost of employing consultants to continue to manage the contract.</p> <p>On 1 June 2016, with approximately two-thirds of the value of works completed, the Council terminated the contract with Broadway Construction Ltd (BCL) as they were not regularly and diligently progressing with the works. In September, the Council House-building Cabinet Committee agreed the appointment of P A Finlay & Co Ltd for the recovery phase of the construction works at Phase 1 in the negotiated contract sum of £2,674,335. At the time, an additional contingency sum of £267,400 was included in the budget to allow for any unforeseen works.</p> <p>In March 2017, the Council and BCL concluded an adjudication involving a dispute regarding the sum of £74,494.02 withheld by the Council under the terms of the contract. The adjudicator found in favour of the Council on three of the four points. However, on the fourth he found in favour of BCL, namely that the Council was not entitled to serve more than one pay less notice in relation to a payment notice. As a consequence, the Council had to pay over to BCL the sum of £74,494.02 plus interest amounting to £2,986.</p> <p>The Council has now taken possession of 21 of the 23 properties and hand-over of the remaining 2 homes at the Red Cross B site is expected in mid November. The final account for the recovery works undertaken by P A Finlay & Co Ltd is anticipated to be £3,423,888, which is unchanged from the figure previously reported. This sum represents an increase of 16% above the original budget estimate due to unforeseen ground contamination remediation works, drainage alterations, brickwork and window remediation, additional retaining structure and alterations required to the balconies. The total anticipated outturn figure for Phase 1, including all construction costs, fees and site security costs, was increased to £6,404,000 in the quarter 1 report. No changes have been made to this estimate at present although the Council's development agent, East Thames has served notice in accordance with the contract to end the relationship, following a merger with London & Quadrant, and a 6-month hand-over period has been agreed to allow the Council to put in place alternative contractual arrangements. The approved budget will be amended as part of the Capital Review. As shown above, actual expenditure incurred to 30 September 2017 was £5,945,000, including outstanding retentions of £133,000.</p>										
HOUSE BUILDING PHASE 2										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	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 Unspent to Date £'000 (C-D)
Feb-16	Mar-18	Mar-16	Sep-18	9,110	1723	10,833	4,910	11,216	4%	5,923
<p>Phase 2 of the Housebuilding Programme achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. The Contract was awarded to Mullalley & Co Ltd following a competitive tendering exercise in November 2015 in line with the Council's Contract Standing Orders based on price and quality. Interviews were also undertaken as part of this evaluation, attended by the Housing Portfolio Holder. The contract commenced in March 2016 in the adjusted tender sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks. This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector. The pre-tender forecast figure of £9,110,000 in the table above includes fees and other costs.</p> <p>Mullalley & Co Ltd took possession of the site in March 2016 with work commencing in July 2016, having discharged the planning conditions and completing the detailed designs. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. As a result of this, additional works are required and delays of around 23-weeks have been claimed by the Contractor. Their entitlement is currently being evaluated by Pellings, the Council's Employers Agents and the additional costs for the works are estimated to be around £500,000, which excludes any loss and expense claims. Until the claim has been evaluated for entitlement the final account cannot be updated to reflect any loss and expense. Furthermore, new fee arrangements will need to be agreed as a result of East Thames ending their contract as the Council's development agent. Once agreed, the anticipated outturn figure will be revised accordingly and the approved sum will be updated as part of the Capital Review to be presented to Cabinet in December.</p> <p>The anticipated completion date in the table above has been changed to 30 September 2018 to reflect the delays to the construction contract highlighted the previous paragraph. Actual expenditure incurred to 30 September 2017 was £4,910,000, including an outstanding contract sum of £298,350 and retention of £212,500.</p>										

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

HOUSE BUILDING PHASE 3										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Approved Budget £'000 (E-C)/Cx100	Anticipated Outturn to Approved Budget £'000 (C-D)
Feb-17	Feb-18	Apr-17	TBC	7,502	0	7,502	2,659	7,397	-1%	4,843
Works across each of the Phase 3 house-building development sites commenced, based on the following:										
Scheme	Contract Sum	Start Date	Duration	Completion Date						
Bluemans End	£753,034	02/05/2017	36 Weeks	17/01/2018						
Parklands	£716,757	18/04/2017	56 Weeks	24/05/2018						
Springfields & Centre Avenue	£1,408,126	18/04/2017	60 Weeks	21/06/2018						
Stewards Green	£752,340	22/05/2017	34 Weeks	24/01/2018						
London Road	£235,695	19/06/2017	36 Weeks	07/03/2018						
Centre Drive	£300,285	09/10/2017	36 Weeks	13/06/2018						
Queens Road	£2,320,493	TBC	82 Weeks	TBC						
The development at Queens Road was delayed pending an agreement with UK Power Network (UKPN) over the lease needed to divert power cables and reposition the electrical sub-station. Although the three-way agreement between UKPN, North Weald Parish Council and Epping Forest District Council was agreed in August 2017, a commencement date has still not been agreed. The contractor has requested an increase in the contract sum and the implications of this are currently being considered. Additional costs will also be incurred at the Stewards Green site as a result of the need to rebuild a retaining wall near to the sub-station. The total anticipated outturn figure for phase 3 will be updated in the light of these revised costs and will also reflect any amendments resulting from new consultancy arrangements following East Thames' decision to serve notice as the Council's development agent. Actual expenditure incurred to 30 September 2017 was £2,659,000, including outstanding contract sums of £424,200 and retentions of £65,700.										
EPPING FOREST SHOPPING PARK										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Approved Budget £'000 (E-C)/Cx100	Anticipated Outturn to Approved Budget £'000 (C-D)
Mar-16	Oct-16	Sep-16	Sep-17	31,161	0	31,161	29,434	31,902	2%	5,857
The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000 approved by Cabinet in June 2015. It covers the purchase of Polofind's interest in July 2015, the development of the site at Langston Road by the Council as a sole owner, the costs allocated for Section 278 Highways Works, consultancy and other professional fees. The construction of the Shopping Park commenced in September 2016 and was completed in June 2017; a substantial delay on the original proposed dates (March 2016 and October 2016 respectively). The contract sum for the main works carried out by McLaughlin and Harvey, was £10,300,000. However this figure has risen due to various variations and tenant improvement works to a final contract sum of £10,405,000. The remaining 2.5% of retention monies will be paid 12 months after completion, all other payments have been paid. The forecasted schedule indicates that as at 1st November, Smyths Toys, Pets at Home, TK Maxx, Hobbycraft and Card Factory will all be trading, whilst Next/Costa, Aldi and JD Sports are currently fitting out their units and will all open in addition to Greggs prior to Christmas 2017. The remaining three vacant units are continuing to be marketed. There are still outstanding capital payments to Next and JD Sports which will be paid in quarter 3 when the stores open for business. The current development appraisal still indicates a good return on the Council's investment. The Section 278 road improvement works have always represented a risk to the scheme with substantial delays attributable to changing requirements from ECC and numerous utility clashes on drainage routes. These numerous variations have resulted in substantial additional costs and ultimately a prolonged contract period. The final contract sum is now anticipated in the region of £4,250,000, although a figure of approximately £170,000 will be recovered from Essex County Council. These works are programmed to be complete in late November 2017 with a final payment including 50% of the 3% retention being released at completion. The anticipated outturn figure has been revised to £31,902,000 based on the latest information and includes a contingency sum for capital incentives which may be requested.										

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Report to the Resources Select Committee

Date of meeting: 19 December 2017

Subject: Sickness Absence

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

Committee Secretary: Adrian Hendry (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, 2017/2018; 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 2017/2018 is an average of 7.25 days per employee. The current outturn figure for the two quarters is an average of 3.39 days, which is slightly above the target of 3.22 days.

During Q1, 4.3 % of employees met the trigger levels or above, 27.9% had sickness absence but did not meet the triggers and 67.8% had no absence. During Q2, 5.2% of employees met the trigger levels or above, 27% had sickness absence but did not meet the trigger levels and 67.8% 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 2016/17 outturn figure (6.71 days) and the continuing improvement into Q1 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 2013/2014 – 2017/2018

4. The KPI target for sickness absence has been reduced to 7.25 days for 2017/18. The Council is below target for Q1 and slightly above in Q2 (by 0.17 days).
5. Table 1 below shows the absence figures for each quarter since 2013/2014.

	Q1	Q2	Q3	Q4	Outturn	Target
2017/2018	1.27	2.12	-	-	-	7.25
2016/2017	1.5	1.48	2.06	1.67	6.71	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

Table 1

Directorate Figures 2017/2018

6. Table 2 shows the average number of days lost per employee in each Directorate.

Directorate	Ave FTE	Average Number of Days Absence 2017/2018				Total Ave No of Days 2017/18
		Q1	Q2	Q3	Q4	
Communities	224.6	1.6	3	-	-	-
Governance	93.4	1.9	1.65	-	-	-
Neighbourhoods	145.1	0.68	0.75	-	-	-
Resources	147.57	0.78	2.05	-	-	-

Table 2

Long Term Absence 2013/2014 – 2017/2018

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*
2017/2018	12	20	-	-	
2016/2017	8	8	10	10	10.75
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 has been used as there could be the same employee in more than one quarter)

8. There has been a slight increase in the number of long term absence from Q4 of last year to Q1 of this. However, there has been a significant rise in long term cases in Q2, the highest it has been in this 5 year period. The reasons for long term absences during 2017/2018 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	0	1	-	-
Work related stress	1	3		
Depression/anxiety	1	3		
Cancer	2	4		
Other musculoskeletal	3	3		
Heart, circulatory	2	2		
Back	1	2		
Gastro	0	1		
Neurological	0	1		
Ear, Nose & Throat	1	0		
Eye	1	0		

Table 4

9. There has been a significant rise in the number of mental health related long term cases. This could be an indication of the amount and type of change that is being experienced across the Council at this time. The number of long term cases due to Cancer has also increased.
10. All of the long term sickness employees, in Q1 had one continuous period of absence, with the exception of one employee who had 3 occasions and two others who had 2. In Q2, 17 employees had one continuous period of absence and 3 employees had two occasions. Table 5 provides further detail on the outcome of individual long term cases.

2017/18 Quarter	Resigned	Return to work	Warning	Dismissed	Redundancy	Still Absent	Ill-Health Retirement	Phased Return/Redeploy
Q1	1	5	0	0	0	5	0	1
Q2	2	10	0	0	0	8	0	0
Q3	-	-	-	-	-	-	-	-
Q4	-	-	-	-	-	-	-	-

Table 5

11. 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	5.6%	7.8%	86.6%
Q2	9.3%	6.9%	83.8%

Table 6

Reasons for Absence

12. Appendix 1 shows the reasons for absence, including the number of days lost and number of employees for each reason in each quarter.

13. As a summary, compared to Q1 and Q2 of 2016/2017 there has been an;

- Increase in mental health reasons of 28%
- Increase of back problems of 41%
- Increase in other musculoskeletal of 22%
- Increase of incidents of cancer of 100%

14. The Council has invested in a training programme to equip managers to deal with mental health issues and it continues to provide resilience training and access to Mindful Employer for employees, along with counselling services at Occupational Health. HR Officers continue to work with managers to ensure that long term cases are managed sensitively and in a timely way.

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, however, the actual number of employees (not recording sickness absence) has reduced in this current period compared to the same quarters last year.

Quarter (Based on 670 headcount)	Staff with no absence	Staff with 7 days or less	Staff with 8 days or more
1 – 2017/2018	67.8% (454)	27.9% (187)	4.3% (29)
2 – 2017/2018	67.8% (454)	27% (181)	5.2% (35)
3 - 2017/2018	-	-	-
4 - 2017/2018	-	-	-
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	64% (429)	33.4% (224)	2.6% (17)
4 – 2016/2017	65% (437)	30% (202)	5% (31)

Table 7

Conclusion

16. Q1 continued to show an improvement in the quarterly figures which followed the improvements in the last reporting year. However, Q2 has seen an increase in the number of long term cases with increases in mental health related cases and employees dealing with cancer. Compared to Q1 and Q2 of last year to the same quarters of this year there has been an increase in the number of staff reporting sick of 21%.

17. The increase in the number of mental health cases could be linked to the Council's Transformation Programme which has caused uncertainty for some staff. Detailed in para

14 are the interventions the Council has put in place to support both managers and staff.

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.

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