

Committee Agenda



**Epping Forest
District Council**

Finance and Performance Management Cabinet Committee Thursday, 13th September, 2018

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

**Council Chamber, Civic Offices, High Street, Epping
on Thursday, 13th September, 2018
at 7.00 pm .**

**Derek Macnab
Acting Chief Executive**

**Democratic Services
Officer**

R. Perrin Tel: (01992) 564532
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Members:

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

PLEASE NOTE THE START TIME OF THIS MEETING

WEBCASTING/FILMING NOTICE

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed. The meeting may also be otherwise filmed by third parties with the Chairman's permission.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

Therefore by entering the Chamber and using the lower public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for web casting and/or training purposes. If members of the public do not wish to have their image captured they should sit in the upper council chamber public gallery area or otherwise indicate to the Chairman before the start of the meeting.

If you have any queries regarding this, please contact the Public Relations Manager on 01992 564039.

1. WEBCASTING INTRODUCTION

(a) This meeting is to be webcast;

(b) Members are reminded of the need to activate their microphones before speaking; and

(c) the Chairman will read the following announcement:

“I would like to remind everyone present that this meeting will be broadcast live to the Internet and will be capable of subsequent repeated viewing, with copies of the recording being made available for those that request it.

By being present at this meeting, it is likely that the recording cameras will capture your image and this will result in your image becoming part of the broadcast.

You should be aware that this may infringe your human and data protection rights. If you have any concerns then please speak to the Webcasting Officer.

Please could I also remind Members to activate their microphones before speaking.”

2. APOLOGIES FOR ABSENCE

3. SUBSTITUTE MEMBERS

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

4. DECLARATIONS OF INTEREST

To declare interests in any item on this agenda.

5. MINUTES (Pages 5 - 10)

To confirm the minutes of the last meeting of the Committee held on 26 July 2018.

6. CORPORATE PLAN 2018-2023 PERFORMANCE REPORT Q1 (Pages 11 - 106)

To consider the attached report (FPM-009-2018-19).

7. TRANSFORMATION PROGRAMME - PROJECT DOSSIER (Pages 107 - 122)

To Consider the attached report (FPM-010-2018-19)

8. RISK MANAGEMENT - CORPORATE RISK REGISTER (Pages 123 - 156)

To consider the attached report (FPM-011-2018/19).

9. QUARTERLY FINANCIAL MONITORING (Pages 157 - 182)

To consider the attached report (FPM-012-2018/19).

10. ANNUAL OUTTURN REPORT ON THE TREASURY MANAGEMENT 2017/18 (Pages 183 - 198)

To consider the attached report (FPM-013-2018/19).

11. ANY OTHER BUSINESS

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

12. EXCLUSION OF PUBLIC AND PRESS

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

Agenda Item No	Subject	Exempt Information Paragraph Number
Nil	Nil	Nil

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

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

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

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

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EPPING FOREST DISTRICT COUNCIL COMMITTEE MINUTES

Committee: Finance and Performance Management Cabinet Committee **Date:** Thursday, 26 July 2018

Place: Council Chamber, Civic Offices, High Street, Epping **Time:** 7.00 - 7.37 pm

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

Other Councillors:

Officers Present: P Maddock (Assistant Director (Accountancy)), R Perrin (Senior Democratic Services Officer), A Rose (Marketing & Digital Content Officer) and D Bailey (Head of Transformation)

13. Webcasting Introduction

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

14. Substitute Members

The Cabinet Committee noted that there were no substitute members for this meeting.

15. Declarations of Interest

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

16. Minutes

RESOLVED:

That the minutes held on 21 June 2018 be taken as read and signed by the Chairman as a correct record.

17. Any Other Business

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

- Annual Governance Report; and
- Financial issues Paper.

18. Annual Governance Report

The Assistant Director (Accountancy) presented a report regarding the Annual Governance Report. The International Standard on Auditing 260 required the

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External Auditor to report to those charged with governance on certain matters before they gave an opinion on the Statutory Statements of Accounts. The audit of the Council's Statutory Statement of Accounts for 2017/18 would be presented to the Audit and Governance Committee on 30 July 2018.

The audit report highlighted the key findings of the financial statements of the Council for the year ending 31 March 2018, and had only been received today as the audit was still ongoing and had been tabled for information.

The Assistant Director (Accountancy) advised the Cabinet Committee that the key findings were;

(a) That no additional significant audit risks had been identified during the course of the external audit procedures subsequent to the Audit Plan on 19 January 2018;

(b) That the final materiality was £2,000,000, which had not required reassessment;

(c) That there were no significant changes to the planned audit approach nor were any restrictions placed on the audit;

(d) That the audit identified the following material misstatements:

- Upon transfer of the Langston Road Retail Park from Assets Under Construction to Investment Properties, the Revaluation Reserve balance was not removed via the Capital Adjustment Account. The revaluation reserve was therefore overstated by £6.503 million and this had been adjusted in the revised financial statements;

- The St John's Road site was classified as an asset held for sale within current assets at £6.139 million in the draft financial statements. However, planning permission had not yet been granted on the site and therefore the site should have been classified as a surplus asset within non-current assets. Surplus assets were consequently understated by £6.139m and this had been adjusted in the revised financial statements; and

- The Essex Pension Fund actuary reissued its IAS19 actuarial valuation report in June 2018 following publication of the Council's draft financial statements as there had been a significant movement in the estimate used in the actuarial calculation and the actual fund value at the year end of £111 million. The impact for the Council was that the pension scheme liability had increased by £2.859 million to £74.860 million and this had been adjusted in the revised financial statements.

(e) That there had been no unadjusted audit differences;

(f) That the audit identified no significant deficiencies in internal controls;

(g) That following the receipt of the draft accounts, the Pension Actuary had issued an updated IAS19 report and the audit was in progress;

(h) That a number of presentational changes had been made to the draft financial statements as a result of the audit;

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(i) That management reported at the end of the year a General Fund balance of £6.7 million, which was an improved position compared to the opening balance of £0.5 million predominantly due to a change in accounting treatment. Management were planning for reserves to be 37% of the Council's net funding requirement by 2021/22 with the minimum requirement being set by Members at 25%;

(j) That the Council had healthy levels of reserves when compared to the minimum requirement and a strong asset base. The impact of the Transformation Programme and the commercial strategy the Council had adopted on its finances were appropriate to continue to deliver the strategies;

(k) That subject to the successful resolution of outstanding matters, it had been anticipated that a unmodified opinion on the financial statements for the year ended 31 March 2018 would be issued;

(l) That there were no exceptions to report in relation to the consistency of the Annual Governance Statement with the financial statements; and

(m) The Council was below the audit threshold for a full assurance review of the Whole Government Accounts return and no other powers or duties under the Local Audit and Accountability Act 2014 had been exercised.

Resolved:

That the External Auditor's Annual Governance Report be noted.

Reason for Decision:

To ensure that Members were informed of any significant issues arising from the audit of the Statutory Statement of Accounts.

Other Options Considered and Rejected:

The report was for noting, no specific actions were proposed.

19. Financial issues Paper

The Assistant Director (Accountancy) advised that the report provided a framework for the Budget 2019/20 and updated Members on a number of financial issues that would affect the Authority in the short to medium term.

He advised that following the General Election on 8 June 2017, a formal date had now been set for leaving the EU on 29 March 2019; the economy had endured low interest rates for nearly a decade with further rate increases yet to materialize; the Consumer Prices Index (CPI) had fallen to 2.3%; and firmly remained within the tolerance set by Government. It was hoped that the Autumn budget would provide more clarity on the two big issues of the Fair Funding Review and Business Rates Retention and it was unlikely that any improvement in District Council funding would be seen in the near future.

The Assistant Director (Accountancy) advised that the following issues represented the greatest areas of current financial uncertainty and risk to the Authority;

Central Government Funding – The Settlement Funding Assessment (SFA) had reduced over the four year period by £2.48m or over 45%. Consequently, resulting in a negative Revenue Support Grant of £0.28 million in 2019/20 and an additional tariff

to be paid to Central Government. Currently no information had been provided on the settlement for 2019/20, although the Fair Funding Review (FFR) would affect allocations and distributions between local authorities from 2020/21 onwards. It had been assumed that the FFR would affect New Homes Bonus, Housing Benefit Admin grant and how Business Rates retention was going to evolve over the next few years.

The Council had increased Council Tax in 2018/19 by 2.48% to provide for additional policing for three years and the MTFs had assumed that the police contribution would cease after the three years with Council tax reverting to its former level. The Local Council Tax Support (LCTS) funding would also be phased out by 2019/20.

Business Rates Retention - There was very little growth anticipated after 2017/18 despite the building of the retail park and other known likely developments within the district with particular caution required over the estimates for 2017/18 and beyond. The new rating list was being used and there was still no data available. The complexity around the introduction of the new list had been made worse by changes to transitional relief and the appeals system; however there were still around 100 outstanding appeals from the previous list including the one property in the south of the district which had a rateable value approaching £6 million. The total provision against appeals was currently £3.39m.

This time last year the Government announced 100% local retention of business rates which has since been amended to 75% with a view for implementation in 2020/21. In addition, a proposal within the FFR formula suggested that the average Council Tax be used to calculate the assumed amount a Council could raise from the Council Tax and that the Council Tax be set in line with the average for the Country, which was much higher. Lastly, the Council remained within the business rates pool for 2018/19.

Welfare Reform - Overall the Local Council Tax Support (LCTS) had been successful in collecting some Council Tax from most of the people receiving support. The Universal Credit (UC) had been progressing slowly with different parts of the district moving over to UC at different times. Originally bed and breakfast accommodation had been included in UC but the DWP made the decision to remove this. Clarity over the time period and process for the migration of the existing housing benefit claims to UC and the role local authorities would perform under the new system were still awaited. The grant paid to local authorities to administer housing benefit would also see a further reduction of £29,000 for 2018/19.

New Homes Bonus - During 2017/18 significant changes were made to the way New Homes Bonus (NHB) was allocated and the reductions in grant were far greater than had been anticipated. In 2018/19 it had dropped to £849,000, a fall of over £1,100,000 and estimates in 2019/20 and 2020/21 were £700,000 and £200,000 respectively, so in a relatively short period of time the income source had been removed almost entirely. However, given the significant number of properties due to be constructed in the district set out in the Local Plan, it could be reasonable to assume that NHB would increase again.

Development Opportunities - The retail park was now operational with only one unit still under negotiation and once all units were operating, the income from leases should be over £2,500,000. The MTFs still showed a more prudent view to allow for any shortfall, management costs and interest. It was anticipated that the St Johns development agreement would be concluded within the next couple of weeks and that the capital receipt would be available to the Council around May 2019. The former Winston Churchill pub site was progressing well and the majority of the units were under offer or in negotiation with the MTFs assuming income of £350,000.

There had been a small overspend on the General Fund capital programme, but the programme had been funded without any additional borrowing. However, going forward any significant additional capital expenditure either HRA or General Fund would no longer be freely available and borrowing costs would need to be considered as part of any option appraisal.

Transformation - The front Council Offices had now been listed by Historic England, which had put the accommodation review back. Discussions were being held with Historic England to establish what could be achieved in order not to breach the listing conditions and free up the Conder Building and rear extension part of the site for redevelopment. The remaining unallocated monies within the Invest to Save reserve had been allocated to the accommodation review. The People and ICT Strategy were both now underway with one of the two Strategic Director being recruited and the structure and interviews commencing for Service Director Level. The Business Support team had brought together other parts of the Council in order to provide a comprehensive council wide support and admin unit that would reduce duplication and increase efficiency.

Waste and Leisure Contracts - The Waste and Street Cleaning service had been procured at a lower cost with the savings being included in the MTFS. However, since then there had been further increases relating to loss of recycling income and in June 2018, the requirement of additional funding to meet the issues relating to the Chinese recycling market. These costs were not sustainable in the long term and various options were being discussed with Biffa at the Waste Management Partnership Board, to examine how overall costs could be reduced in future years. The current Leisure Management contract started on 1 April 2017 with Places for People for a period of 20 years. Over the lifetime of the contract the average CSB savings would be more than £1,000,000 per year and given the length and value of the contract.

Miscellaneous – It was noted that Members should be advised of the potential recession and there had been a period of slow growth and inflation. Consequently, any property related income streams such as development control and rent from commercial estate could suffer and be magnified as the proportion of the income coming from retained business rates increased. The Council's single largest cost was the annual pay bill of around £24m, with the pay award for 2018/19 averaging out at around 2.3%, 2.5% in 2019/20, 2% in 2020/21 and 1% in 2021/22.

The Cabinet Committee noted that the Council remained in a strong financial position and had substantial reserves during a period of uncertainty and higher level of financial risk. There was particular uncertainty around the financing situation for 2020/21 and beyond.

Recommended:

1. That the establishment of a new budgetary framework including the setting of budget guidelines for 2019/20 be set including;
 - (a) The ceiling for Continuing Services Budget expenditure be no more than £12.689 million including net growth;
 - (b) The ceiling for District Development Fund expenditure be no more than £553,000;
 - (c) That balances continue to be aligned to the Council's net budget requirement and that balances be allowed to fall no lower than 25% of the net budget requirement; and
 - (d) The District Council Tax not be increased, with Council tax for a Band 'D'

property remaining at £152.46.

2. That the revised Medium Term Financial Strategy for the period to 2021/22 be developed accordingly;
3. That the Medium Term Financial Strategy be communicated to staff, partners and other stakeholders;
4. That the parish support grants be implemented in equal stages to achieve complete removal by 2019/20.

Reasons for Decision:

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

Other options Considered and Rejected:

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

CHAIRMAN

Report to Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: **FPM-009-2018/19**

Date of meeting: **13 Sept 2018**

Portfolio: Leader of the Council

Subject: Corporate Plan 2018-2023 –
Performance Report Q1 2018/19

Responsible Officer: David Bailey (01992 564105).

Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) That the Committee review the outturn position for Quarter 1 2018/19, in relation to the achievement of the Corporate Plan for 2018-2023;**
- (2) That the Committee identifies any actions and/or projects, performance indicators and/or benefits, which require in-depth scrutiny or further report on performance.**

Executive Summary:

The Corporate Plan 2018-2023 is the authority's key strategic planning document. The Plan lays out the journey the Council will take to transform the organisation to be 'Ready for the Future'. The plan links the key external drivers influencing Council services, with a set of corporate aims and objectives, grouped under three corporate ambitions.

A Corporate Specification for each year (previously called the Key Action Plan) details how the Corporate Plan is being delivered through operational objectives, with these in turn linked to annual Service business plans.

The success of the Corporate Plan is assessed through the achievement of a set of benefits, each measured through one or more performance indicator, focussed on what the Council achieves for customers. Management Board, Cabinet and the Scrutiny Committees have overview and scrutiny roles to drive improvement in performance and ensure corrective action is taken where necessary.

Reasons for Proposed Decisions:

This combined report brings together the performance of the Council against the Corporate Plan and gives 'clear line of sight' for performance across the Council via the new benefits maps and performance indicator set. The benefits maps 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 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 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.

The Committee could, in consultation with the Head of Transformation, agree that specific components of the proposed performance indicator set, targets and/or benefits maps be further reviewed, amended or removed, or new components be considered and included (Report to Cabinet, 7 December 2017).

The Committee could ask for specific components of the Corporate Plan be further reviewed, amended or removed, or new components be considered and included, as authorised by the Leader of the Council in consultation with the Chief Executive (Report to Council, 21 December 2017).

Report:

The Corporate Plan – Context, Aims and Objectives

1. The Corporate Plan is the Council's highest level strategic document. It sets the strategic direction and priorities for the organisation for the lifetime of the plan, and provides a framework to demonstrate how the work of the Council fits together at a strategic level.

2. The new Corporate Plan runs from financial year 2018/19 to 2022/23 and was adopted by full Council on 21 December 2017. This plan links the key external drivers influencing Council services, with a set of corporate aims and objectives, grouped under three corporate ambitions. The Corporate Plan is the cornerstone of the Council's performance management framework, called its Benefits Management Strategy. The Corporate Plan also provides the policy foundation for the Council's Medium Term Financial Strategy (MTFS) and is essential for the prioritisation of resources to provide public services and value for money.

3. The Council's external drivers have been identified by Cabinet Members and the Council's Management Board and Leadership Team, for the next five years. They have been further refined through consultation and linked with a set of three interdependent corporate ambitions:

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

4. Each ambition has a set of corporate aims, which are in turn detailed by one or more corporate objective.

5. An annual Corporate Specification details how the Corporate Plan will be delivered through a set of operational objectives for that year. In turn, these operational objectives are responded to through annual Service business plans.

6. The previous regular performance reports covering the annual Corporate Plan Key Action Plan, Key Performance Indicators and Transformation Highlight Report have now been superseded by this single integrated performance report.

Benefits Realisation

7. The Corporate Plan can be viewed as a set of benefits maps – one map for each of the ten corporate aims. The content of these maps is by necessity more technical than is presented in the public document.

8. An explanation of these benefits maps is provided in this section of the report.

9. All benefits from individual corporate objectives, connect back to four key benefits, which are as follows:

- K1 Improved customer value – recognising what customers’ value about our services and placing them as the heart of everything we do;
- K2 Increased efficiency – focussing on our speed of delivery and getting things right first time;
- K3 Increased agility – reducing red tape, simplifying how we work through joined up services; and
- K4 Increased savings and income – delivery of resource savings and income generation, to keep Council Tax low.

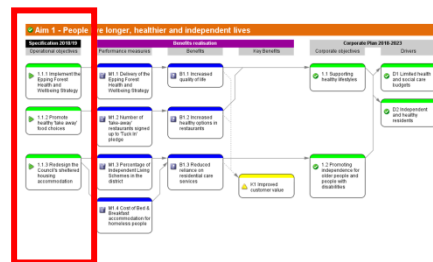
10. In this context, a benefit is defined as: the measurable improvement resulting from an outcome perceived as an advantage by a stakeholder, which contributes towards one or more organisational objectives.

11. Please note that when the benefits maps are created, best practice is to start from the right-hand side and work towards the left, i.e. start with the needs of our customers or the end in mind, and work back to the solutions on the left-hand side. When the organisation delivers services, it starts on the left-hand side and works over to the right, i.e. the delivery goes from left to right.

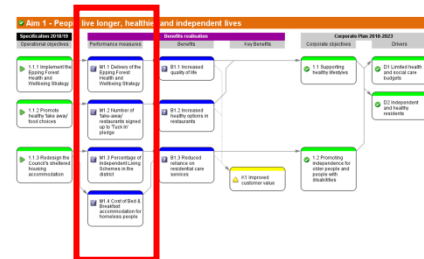
How to Read the Performance Report

12. The Report works through each Corporate Aim in turn, starting with the headline benefits map, followed by detailed lists of the elements from the map, working from left to right: (a) operational objectives, (b) projects and programmes, and (c) performance indicators.

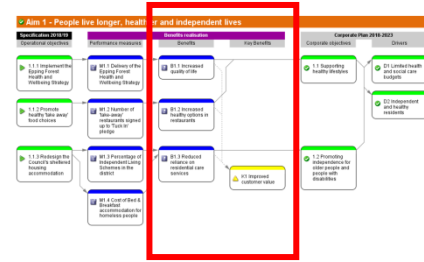
Working from the left hand side of the benefits maps (see example), the first column contains the annual Specification – formally the Key Action Plan – as a set of operational objectives covering both Businesses As Usual (BAU) and business transformation (projects and programmes).



13. The next column of the benefits maps covers the measurement of performance through a set of Performance Indicators (PIs).

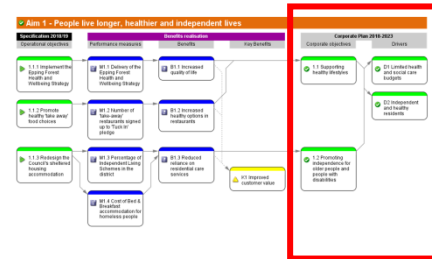


14. The benefits for stakeholders sit at the centre of the benefits maps. One or more performance measures makes up each (intermediate) benefit. Individual performance measures may contribute to one or more benefit. Where this is the case, weightings that show how the performance of these indicators 'roll-up' is given. Similarly, an individual indicator may contribute to the realisation of one or more benefits.



In turn, each (intermediate) benefit contributes to one or more of the four key benefits.

15. The right hand side of the benefits maps shows the corporate aims and objectives and the environmental factors which drive them. The progress of Actions and Benefits are combined to indicate the 'rolled-up' status of the Corporate Objectives and their respective Drivers.



16. In addition, each performance indicator has been identified as either 'Corporate (C)' or 'Partnership (P)', to show whether there are factors outside of the Council's control which impact on the indicator.

Red-Amber-Green Status, Targets and Thresholds

17. Individual elements are colour coded using the Red, Amber, Green status indicators – often abbreviated to RAG – to highlight exceptions that may require attention. This enables Members and officers to efficiently focus on areas where performance may be below target, and where remedial actions or further scrutiny may be required. By following the links left-to-right on the benefits maps – between projects / actions, indicators, benefits and objectives – the maps also show the likely cause (to the left) or impact (to the right) of any underperformance.

18. Where appropriate, each individual performance indicator has a target for the Corporate Plan period. This will be profiled across the five years of the plan, and could be a flat line, cumulative, ramp-up or tail-off in shape. In addition, where appropriate each individual performance indicator has an amber threshold tolerance. Between the target and the amber tolerance, performance would be reported as Amber, beyond this threshold, performance would be reported as Red.

19. The key to the icons used on the benefits maps is as follows:

	Green	Indicates an element that is on target or has been completed
	Green	Indicates an action that is in progress or is assigned
	Amber	Indicates: <ul style="list-style-type: none"> Performance Indicator (or Risk) that is neither red nor green; or An Action that is unassigned, i.e. it doesn't have an owner
	Red	Indicates: <ul style="list-style-type: none"> A Performance Indicator below target, or An overdue Action based on the deadline date, or A Risk with a high rating
	Blue	Indicates that there is data missing and Pentana Performance is unable to make a calculation for that Performance Indicator, therefore it will not show one of the other traffic light icons

20. The scrutiny committee that owns each element for scrutiny purposes is indicated by the following acronyms:

O&S	Overview and Scrutiny Committee
CSC	Communities Select Committee
GSC	Governance Select Committee
NSC	Neighbourhoods Select Committee
RSC	Resources Select Committee

21. The progress of performance is reviewed by Management Board, Transformation Programme Board, the Finance and Performance Management Cabinet Committee and Cabinet at the conclusion of each quarter. Service Directors review performance with the relevant portfolio holder(s) on an ongoing basis throughout the year. Select Committees are each responsible for the scrutiny of quarterly performance within their areas of responsibility.

Performance Report

22. The Committee is requested to review the performance outturn position against the benefits maps, in relation to the achievement of the Corporate Plan for 2018-2023.

23. The Committee is requested to identify any actions and/or projects, performance indicators and/or benefits, which require in-depth scrutiny or further report on performance.

Resource Implications:

None for this report.

Legal and Governance Implications:

There are no legal or governance implications arising from the recommendations of this report.

Safer, Cleaner and Greener Implications:

None for this report.

Consultation Undertaken:

Management Board, Leadership Team and Cabinet Members were involved in developing the draft Corporate Plan 2018-2023. The content of this draft – including drivers, objectives and benefits – were the subject of consultation with customers, businesses, partners and staff. The views of Councillors were also sought through the Communities, Governance, Neighbourhoods and Resources Select Committees as well as the Overview and Scrutiny Committee. The views of the Cabinet were gained through a report to the Finance and Performance Management Cabinet Committee. The views of local councils were gained through a report to the Local Councils' Liaison Committee (LCLC). Full Council adopted the new Corporate Plan on 21 December 2017.

Background Papers:

Various reports, culminating in:

- Corporate Plan 2018-2023 Report to Cabinet (C-032-2017/18) on 7 December 2017.
- Corporate Plan 2018-2023 Report to Council (Item 12) on 21 December 2017.
- Corporate Plan 2018-2023 – Progress Reporting and Performance Indicator Set:
 - Neighbourhoods Select Committee on 20 March 2018
 - Resources Select Committee on 14 March 2018

- Governance Select Committee on 27 March 2018
- Communities Select Committee on 18 March 2018
- Overview and Scrutiny Committee on 17 April 2018.
- Corporate Plan 2018-2023 – Benefits Maps, Performance Indicator Set, Targets and Progress Reporting (FPM-002-2018/19) report to Finance and Performance Management Cabinet Committee on 21 June 2018.

Risk Management:

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific objectives or benefits will be identified by the responsible service director during business planning and communicated to the Corporate Risk Management Group.

Equality Analysis

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality impact assessment is provided as an Appendix to the report.

Equality Impact Assessment

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

Section 1: Identifying details

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

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

Title of policy or decision: Corporate Plan 2018-2023 – Progress Report Quarter 1 2018/19

Officer completing the EqIA: David Bailey, Head of Transformation Tel: 01992 564105
Email: dbailey@eppingforestdc.gov.uk

Date of completing the assessment: Tuesday 10 July 2018

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project?</p> <p>Regular outturn report on performance against the Corporate Plan 2018-2023.</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>The purpose of the report is to update Cabinet on the achievement of the objectives and measures contained within the Corporate Plan.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <p>Enhanced picture of corporate performance against the benefits maps and performance indicator set.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>The Corporate Plan progress report is not in itself a vehicle for decision making. Its approach is to articulate the Council's performance in a coherent document. Where individual objectives or performance from the Plan require decisions, these are the subject of individual reports, each accompanied by its own Equality Impact Assessment.</p> <p>Will the policy or decision influence how organisations operate?</p> <p>Yes, at the strategic level.</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p>

	Decisions on resources to deliver the Corporate Plan are taken through the annual budget approval process, through Portfolio Holder decision or Cabinet decision.
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p>The Corporate Plan is the Council's premium strategic policy. All other Council policies and decisions support the delivery of the Corporate Plan.</p>

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

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

3.1	<p>What does the information tell you about those groups identified?</p> <p>An overview of key issues impacting the population of Epping Forest district, health and well-being, and demand on services is given in the attached profile of people living in Epping Forest. Profile available to view on the Council's Committee Management System (modern.gov) as a background paper.</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>No.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>Where decisions are required to change Council policy these will be subject to a decision report, which will be accompanied by its own Equality Impact Assessment. Any consultation with communities that are likely to be affected by the decision may be undertaken at that time.</p>

Section 4: Impact of policy or decision

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

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	<p><u>Older people</u> An ageing population is increasing demand on local services.</p> <p>Health interventions need to reach high risk groups to reduce the number of preventable health conditions and service demand.</p> <p>Slightly higher rate of hospital admissions due to hip fractures than England.</p> <p>Increasing number of people with dementia. Unpaid carers require support to achieve their role.</p> <p>Ageing population will impact on the availability of health services, housing and care homes.</p> <p><u>Children and young people</u> Average level of Chlamydia testing and percentages testing positive.</p> <p>Low rates of children in care.</p> <p>Average level of eligibility for free early education entitlement (two year olds) but lowest take up rate in Essex.</p>	L
Disability	No data available	-
Gender	Epping Forest district population: 64,219 – 51.5% female 60,440 – 48.5% male	L
Gender reassignment	No data available	-
Marriage/civil partnership	Living arrangements: Of 100,762 persons- 60,592 living as a couple 49,472 married or in a registered same-sex civic partnership	L

Pregnancy/maternity	Low rate of teenage pregnancy (which is linked to a range of poor outcomes in later life).	L
Race	Population of the district: 89.2% White 3.3% Asian 1.8% Black 5.7% Others, including Mixed	L
Religion/belief	Population of the district: 61.8% Christian 3.2% Jewish 0.3% Buddhist 1.9% Muslim 0.3% Other religion 22.5% No religion 1.4% Hindu 1% Sikh 7.6% Do not wish to disclose	L
Sexual orientation	The Government Equality Office estimates there are 1.5 million LGBT (Lesbian, Gay, Bisexual and Transgender) people in the UK.	L
Poverty	Few deprived areas with poor health and unemployment. Pockets of child poverty.	L
Crime and safety	Average rate of crime and residents feeling safe. Low population density.	L
Recycling	Higher than average waste recycling levels.	L
Healthy lifestyles	Although lower than average, reducing smoking, drinking and obesity, plus increasing physical activity, are all areas for improvement. Hospital admissions due to alcohol related conditions are better than England average. Fall in number of adults in substance misuse treatment.	L
Physical and mental health	Increase rate of diabetes although it is below average. Rate of those killed / seriously injured on	L

	<p>the roads is significantly above average.</p> <p>Good well-being amongst pupils and adults and a lower than average percentage with mental health problems.</p>	
Housing	<p>High proportion of owner occupiers, with low proportion of social housing.</p> <p>Highest rise in house prices in Essex.</p> <p>Relatively high proportions on housing waiting list but lower than average in temporary accommodation.</p> <p>Third lowest rate of homeless households in Essex.</p>	L
Education	<p>The proportions who are ready for school and who achieve a good level of development at age 5 are close to the Essex average but there is a gap for those eligible for free school meals.</p> <p>Close to average proportion achieve five or more GCSEs at grades A*-C.</p> <p>Lower than average proportion attend a good or outstanding school.</p> <p>More pupils than average aspire to go to university.</p>	L
Employment	<p>Lower proportion of adults with no qualifications.</p> <p>Slightly lower than average adult unemployment and average proportion of young people Not in Education Employment of Training (NEET).</p> <p>Higher than average number of economically inactive adults.</p> <p>Lower than average ratio of jobs per population but increasing number of jobs.</p> <p>Most businesses have 9 or fewer employees.</p>	L
Transport	<p>Fourth longest average travel time by public transport or walking to reach key services in Essex.</p>	L

	<p>Below average percentage of residents who are satisfied with roads, local bus services and local transport information.</p> <p>Access to a car is essential for people out of work and not able to use public transport or walk to an employment centre. 16% may miss out on work opportunities unless they have access to a car.</p>	
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Section 5: Conclusion			
		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	Monitoring of the Corporate Plan progress reporting and indicator set of and in itself does not make any decisions. Any decisions on policy changes indicated by the reports would be subject to a decision report as appropriate and contain an individual Equality Impact Assessment.
		Yes <input type="checkbox"/>	If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts		
What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
This report is for the coordination of strategic direction and progress reporting. There are no policy decisions contained in this report.	Any decision regarding a policy change would require its own report and be accompanied by a detailed Equality Impact Assessment as appropriate.	As and when any decision is brought forward.

Section 7: Sign off

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

Signature of Head of Service: David Bailey

Date: 29 August 2018

Signature of person completing the EqIA: David Bailey

Date: 29 August 2018

Advice

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

Our Corporate Plan 2018-2023

"Ready for the future"

Stronger communities

- 1. People live longer, healthier and independent lives
- 2. Adults and children are supported in times of need
- 3. People and communities achieve their full potential

- ✓ 1.1 Supporting healthy lifestyles
- ✓ 1.2 Promoting independence for older people and people with disabilities
- 2.1 Safeguarding and supporting people in vulnerable situations
- 3.1 Enabling communities to support themselves
- ✓ 3.2 Provide culture and leisure
- ✓ 3.3 Keeping the district safe

Stronger places

- 4. Delivering effective core services that people want
- 5. A district with planned development
- 6. An environment where new and existing businesses thrive

- ✓ 4.1 Keeping the district clean and green
- 4.2 Improving the district housing offer
- ✓ 5.1 Planning development priorities
- ✓ 5.2 Ensuring infrastructure supports growth
- ✓ 6.1 Supporting business enterprise and attracting investment
- ✓ 6.2 People develop skills to maximise their employment potential
- ✓ 6.3 Promoting retail, tourism and the visitor economy

Stronger council

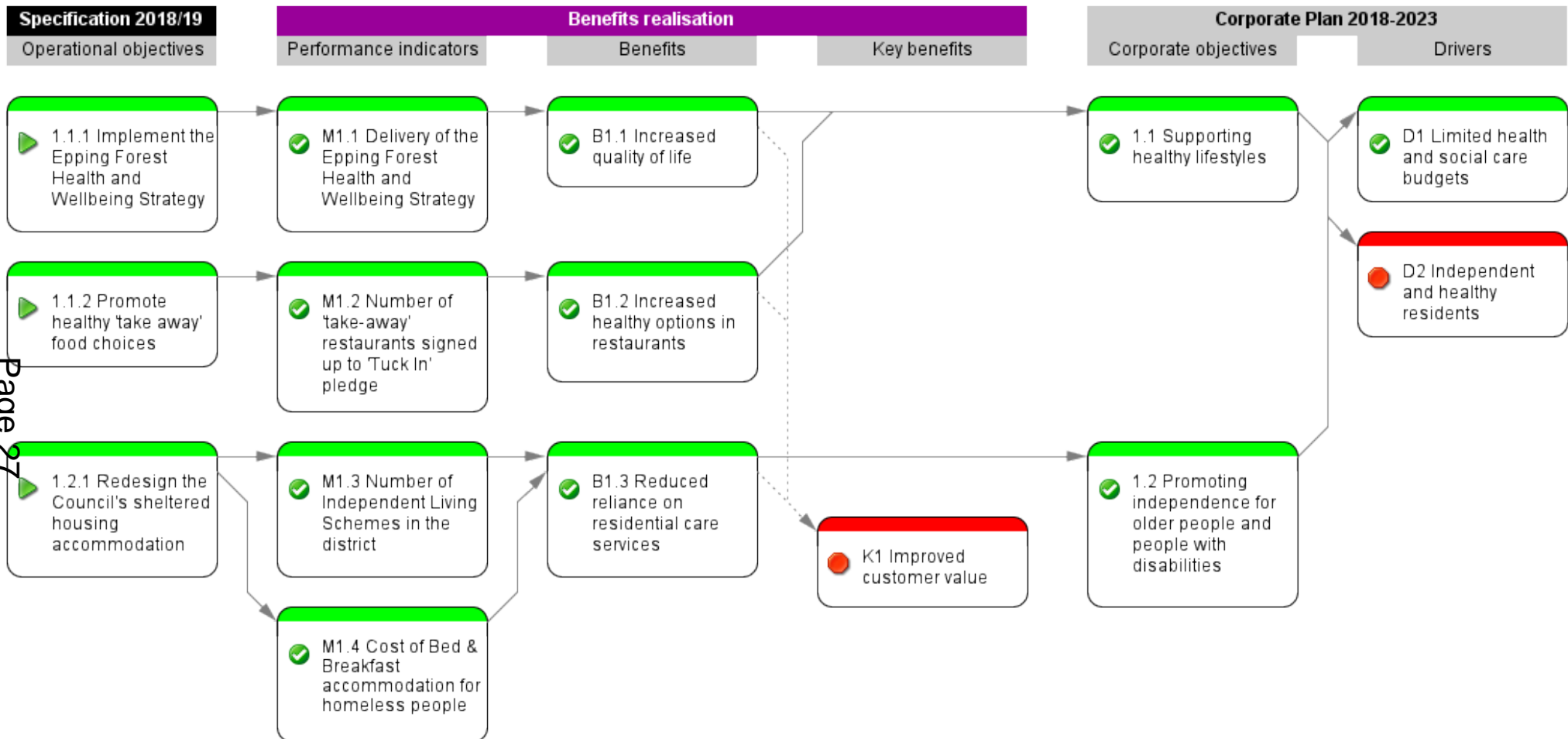
- 7. Customer satisfaction
- 8. Democratic engagement
- 9. A culture of innovation
- 10. Financial independence with low Council Tax

- ✓ 7.1 Engaging with the changing needs of our customers
- ✓ 8.1 Robust local democracy and governance
- ✓ 9.1 Enhancing skills and flexibility of our workforce
- ✓ 9.2 Improving performance through innovation and new technology
- ▲ 10.1 Efficient use of our financial resources, buildings and assets
- ✓ 10.2 Working with commercial partners to add value for our customers

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Aim 1 - People live longer, healthier and independent lives

Stronger communities



Aim 1 People live longer, healthier and independent lives

Stronger communities

To improve the quality of life and life expectancy of all our residents by promoting healthier lifestyles, as well as providing homes and facilities to reduce the future demand on social care services and support the independence of our more vulnerable residents.

Corporate objective 1.1 Supporting healthy lifestyles

Improving the quality of life, as well as life expectancy of all our residents by supporting and promoting healthier lifestyles, providing opportunities for physical activity and initiatives to support the emotional and mental health of our children and young people.

Operational objective 1.1.1 Implement the Epping Forest Health and Wellbeing Strategy

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Implement the Epping Forest Health and Wellbeing Strategy	25%	31-Mar-2019	Action On Target	CSC	Assistant Director - Community Services & Safety (CSS01)
05-Jul-2018 Q1 – Multi-agency Action Groups have been established for each of the three health & wellbeing thematic priorities and Action Plans are currently being development in collaboration with the Council's partners.						

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Operational objective 1.1.2 Promote healthy 'take-away' food choices

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Promote healthy 'take-away' food choices	25%	31-Mar-2019	Action On Target	NSC	Assistant Director - Environment & Neighbourhoods (NNS01)
29-Aug-2018 2 Premises signed up: Anchor Fish Bar and Peggoty's Fish Bar						

Corporate objective 1.2 Promoting independence for older people and people with disabilities

Providing additional care facilities as well as future homes which in turn will reduce the demand on social care services and help to support independence.

Operational objective 1.2.1 Redesign the Council's sheltered housing accommodation

<i>RAG</i>	<i>Description</i>	<i>Progress</i>	<i>Due date</i>	<i>Expected outcome</i>	<i>Scrutiny</i>	<i>Manager</i>
	Redesign the Council's sheltered housing accommodation	25%	31-Mar-2019	Action On Target	CSC	Director of Communities (CDR01)
03-Jul-2018 Q1 – This project is currently being held in abeyance, pending the introduction of the new Senior Management Structure, due to the resultant increased commitments of the Director of Communities (who was leading the project) following the departure of the former Chief Executive and two other Directors.						

 **Performance indicator M1.1 Delivery of the Epping Forest Health and Wellbeing Strategy**

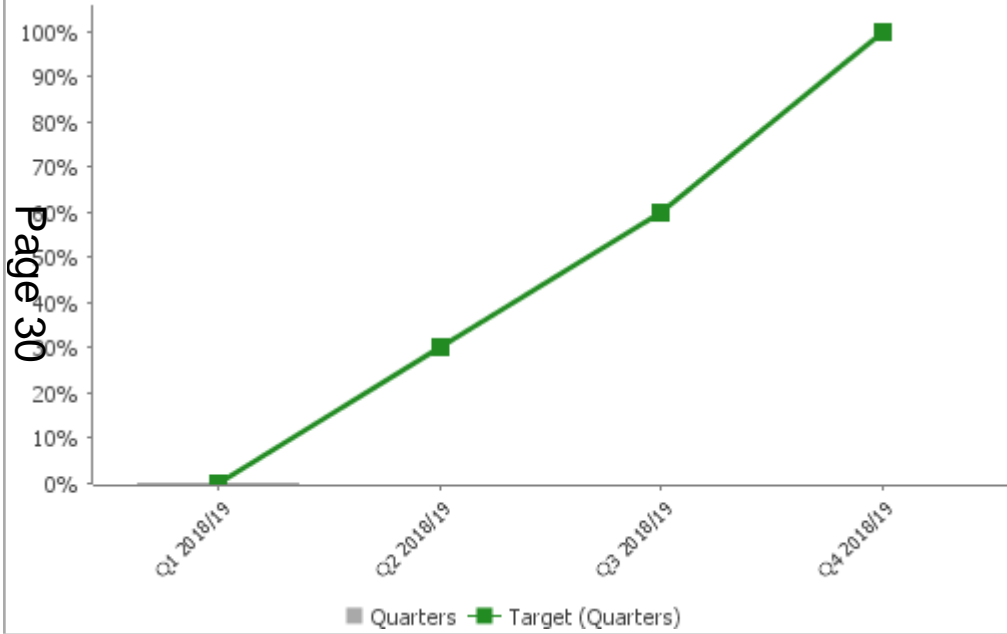
This indicator is a measure of the successful implementation of projects contributing to the multi-agency Epping Forest Health & Wellbeing Strategy 2018-28 (Year 1).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
 Uncertain	2018	CSC

Manager
Assistant Director - Community Services & Safety (CSS01)


<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Aim to Maximise	Partnership	

Trend chart



Comments
05-Jul-2018 Q1 - Multi-agency Action Groups have been established for each of the three Health & Wellbeing thematic strands and associated partnership Action Plans are in development in collaboration with West Essex colleagues.

Corrective action
First target measure is due in Q2 2018/19

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
0%	0%		30%			60%			100%		

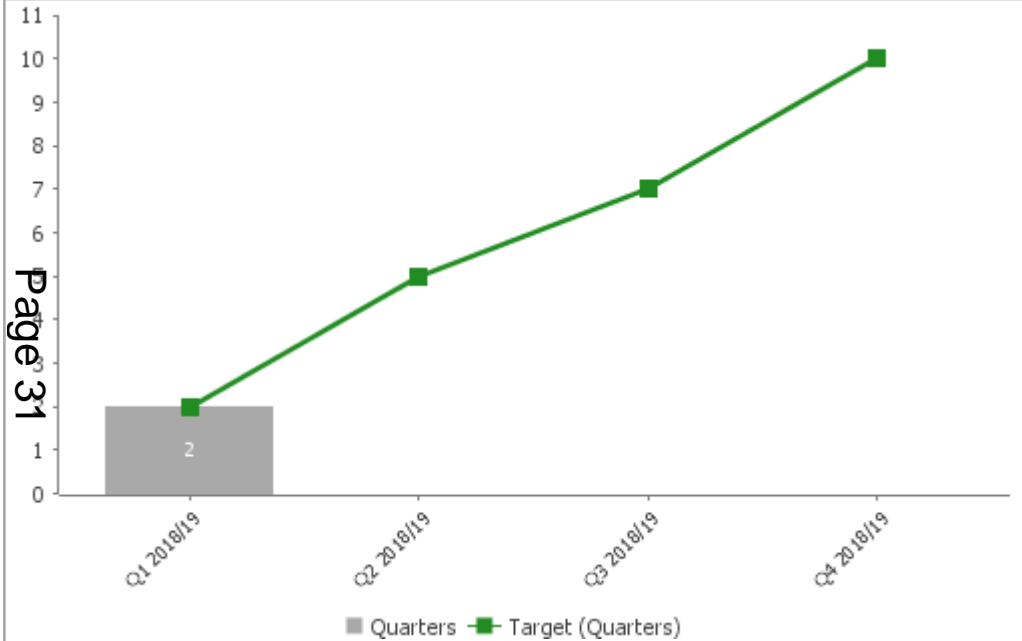
 **Performance indicator M1.2 Number of 'take-away' restaurants signed up to 'Tuck In' pledge**

This indicator is a measure of the number of take-away restaurants and cafes who sign up to the 'Tuck In' pledge (this is an Essex County Council initiative).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
 Yes	2018	NSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Environment & Neighbourhoods (NNS01)	Aim to Maximise	Partnership	

Trend chart




Comments

28-Aug-2018 2 premises signed up: Anchor Fish Bar, Peggoty's Fish Bar.

Corrective action

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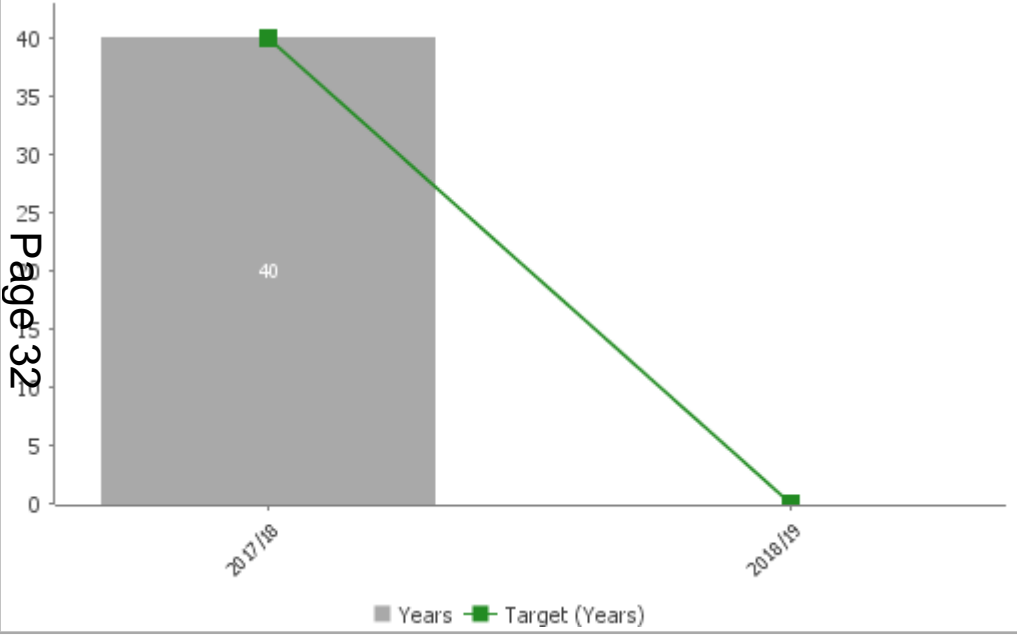
Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
2	2		5			7			10		

Performance indicator M1.3 Number of Independent Living Homes in the district

To promote an increase in the supply of Independent Living Homes for older people in the District, over the Corporate Plan Period (2018-23).

<i>Is year-end target likely to be achieved?</i>		<i>Live from</i>	<i>Scrutiny</i>
● Not applicable		2018	CSC
<i>Manager</i>		<i>Corporate or Partnership indicator</i>	
Director of Communities (CDR01)		Corporate	
<i>Good performance</i>		<i>Annual trend</i>	
Aim to Maximise		?	

Trend chart *Comments*



16-Jul-2018 No new schemes have been commenced or completed this year. However, new Independent living scheme planned at Hill House / Waltham Abbey next year .

29-Aug-2018 The commencement date to build a new Independent Living Scheme (ILS) has not been planned yet. The aim is to have approx. 50 new units built in 2019/20.

Corrective action

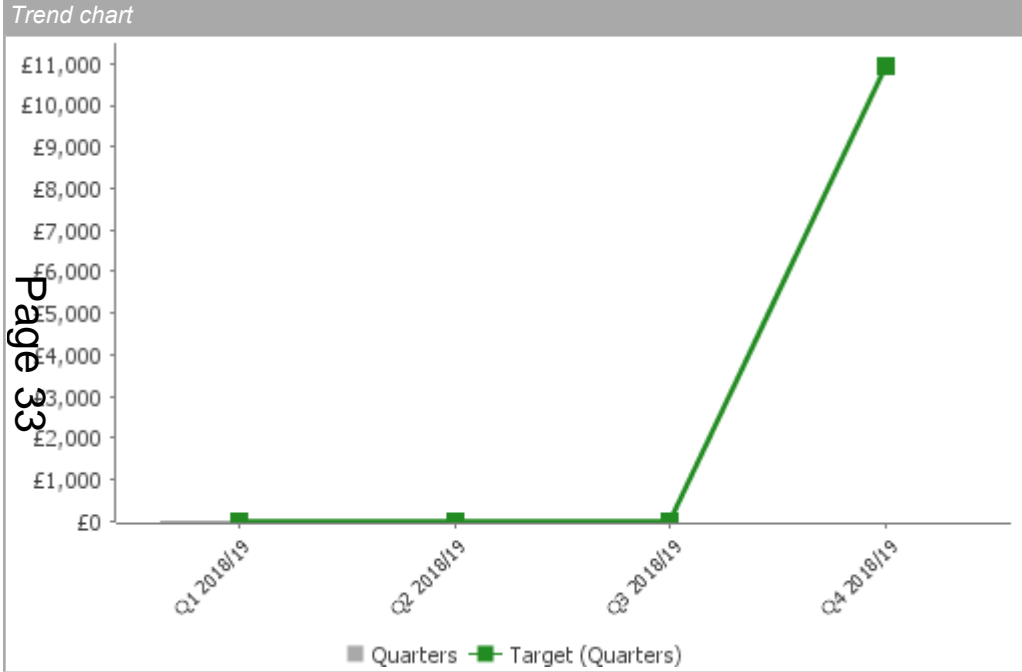
2018/19		
Target	Value	Status
0		

Performance indicator M1.4 Bed & Breakfast accommodation for homeless people

The indicator is intended to measure the savings generated by the reduction in the cost of Bed & Breakfast (B&B) accommodation for homeless people when accommodated in pods (temporary modular accommodation).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
● Not applicable	2018	CSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Housing Operations (COP01)	Aim to Minimise	Corporate	?



Comments

13-Jul-2018 Q3 It is anticipated this indicator will be reported from January 2019 when the first resident moves in.

13-Jul-2018 Q2 It is anticipated this indicator will be reported from January 2019 when the first resident moves in.

30-Aug-2018 Further delays now expected for this project, as well as increased costs, so this indicator will now be reported from 2019/20 onwards. In addition, we need to bottom out the exact calculations for the payback period and expected savings (if any) once we know what the installation costs are.

13-Jul-2018 Q1 It is anticipated this indicator will be reported from January 2019 when the first resident moves in.

Corrective action

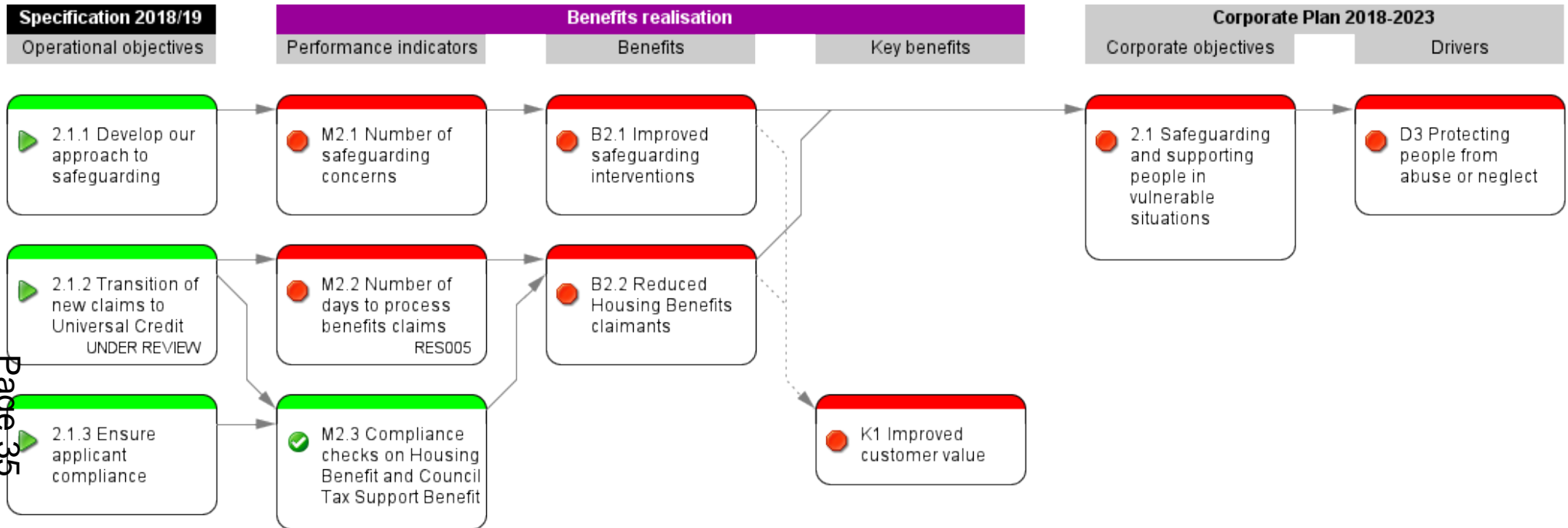
Indicator not being measured until Q4 2019/20

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
£0	£0	✓	£0			£0			£10,950		

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Aim 2 - Adults and children are supported in times of need

Stronger communities



Aim 2 Adults and children are supported in times of need

Stronger communities

To protect people in vulnerable situations from abuse and neglect, and progressively remove the barriers which prevent people from accessing the help and support they need.

Corporate objective 2.1 Safeguarding and supporting people in vulnerable situations

Protecting people in vulnerable situations from abuse and neglect through a well trained workforce and by challenging the barriers that prevent people from accessing the help and support they need.

Operational objective 2.1.1 Develop our approach to safeguarding

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Develop our approach to safeguarding	25%	31-Mar-2019	Action On Target	CSC	Assistant Director - Community Services & Safety (CSS01)
06-Jul-2018 Q1 - The new Safeguarding Awareness e-learning course is now available on i-train and is mandatory for all EFDC staff this is to be completed by the 1st October. The Safeguarding Team are currently piloting the face-to-face Enhanced course for all frontline/call centre staff and hope to roll this out from September onwards.						

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Operational objective 2.1.2 Transition of new claims to Universal Credit

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Transition of new claims to Universal Credit	0%	31-Mar-2019	n/a	RSC	Assistant Director - Benefits (RBE01)
29-Aug-2018 Please note this will be replaced by a new action.						

Operational objective 2.1.3 Ensure applicant compliance

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Ensure applicant compliance	25%	31-Mar-2019	Action On Target	RSC	Assistant Director - Benefits (RBE01)
06-Jul-2018 Q1 - Performance is on target to achieve checks on between 20% and 30% of the caseload during the year. Current performance suggests that almost 1/3 of benefit claims will have their entitlement checked during this financial year.						

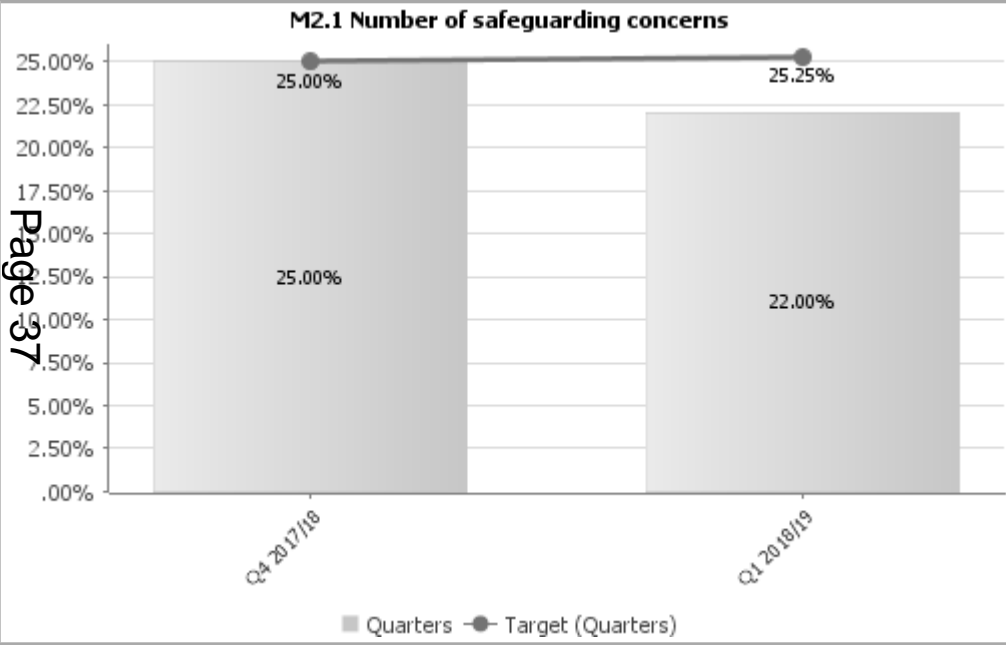
Performance indicator M2.1 Number of safeguarding concerns

Safeguarding aims to protect or promote the welfare of individuals and/or groups of people, which ensures prevention of harm for children, young people and adults with care and support needs (*Epping Forest District Council Safeguarding Policy and Procedures*).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
⚠️ Uncertain	2018	CSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Community Services & Safety (CSS01)	Aim to Maximise	Corporate	?

Trend chart *Comments*



Corrective action

This is a new measure and challenging where there may be seasonal variations to the figures. The baseline has been set with a 1% increase on the cumulative 2017/18 statistics.
A truer reflection may be realised later in the year for any corrective actions.

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
25.25%	22.00%	⚠️	25.50%			25.75%			26.00%		

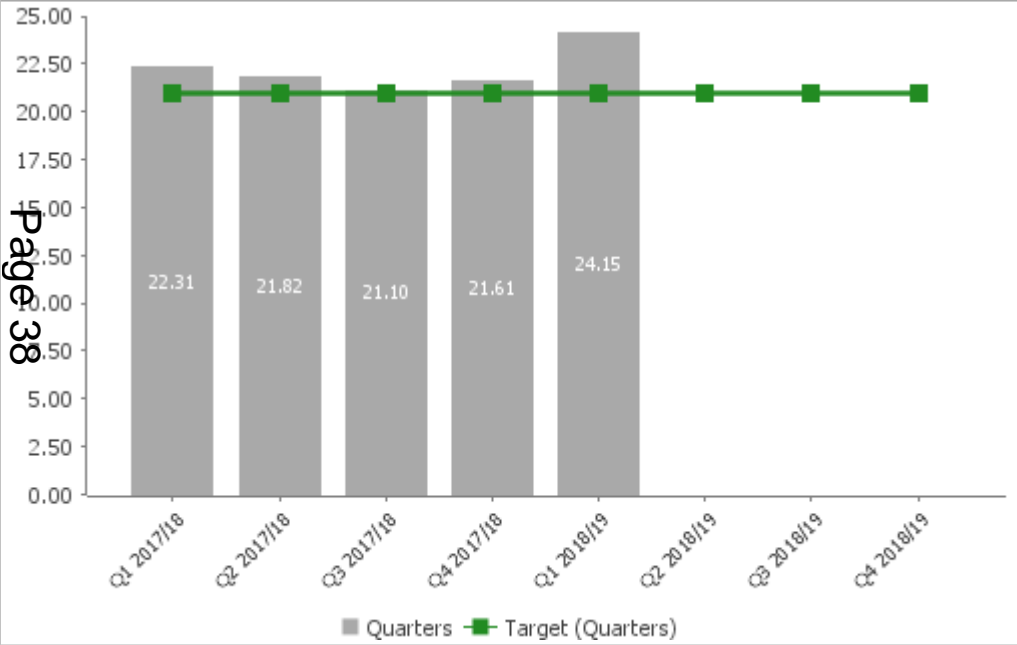
Performance indicator M2.2 Number of days to process benefits claims

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 (Previously RES005).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
No	2012	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Benefits (RBE01)	Aim to Minimise	Corporate	

Trend chart *Comments*



06-Jul-2018 Performance is monitored on a weekly basis and improvements to processes are made when appropriate. Performance is not on target this quarter due to a lack of resources as there have been a number of long term sickness absences. It is expected that there will be an improvement in the next quarter,

04-Apr-2018 The target was changed from 22 days to 21 days for 2017/18 which has resulted in the target not being achieved this year. Although quarter 4 performance was disappointing at 23.05 days, the annual performance of 21.61 was an improvement on the 2016/17 performance.

Corrective action

Continue to monitor resources closely as a best effective measure

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
21.00	24.15		21.00			21.00			21.00		

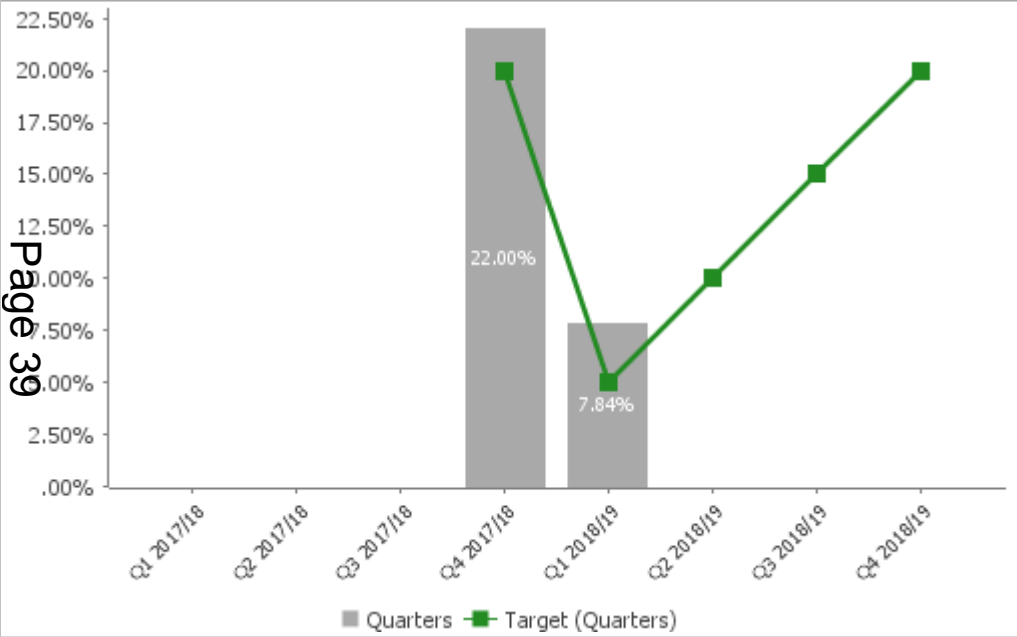
Performance indicator M2.3 Number of compliance checks on Housing Benefit and Council Tax Support Benefit

One of the Council's roles is to ensure that its residents are paying the correct amount of Council Tax or claiming the right amount of Housing Benefit or Council Tax support benefit.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
Yes	2018	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Director of Communities (CDR01)	Aim to Maximise	Corporate	

Trend chart



Comments

06-Jul-2018 Performance is on target to achieve checks on between 20% and 30% of the caseload during the year. Current performance suggests that almost 1/3 of benefit claims will have their entitlement checked during this financial year.

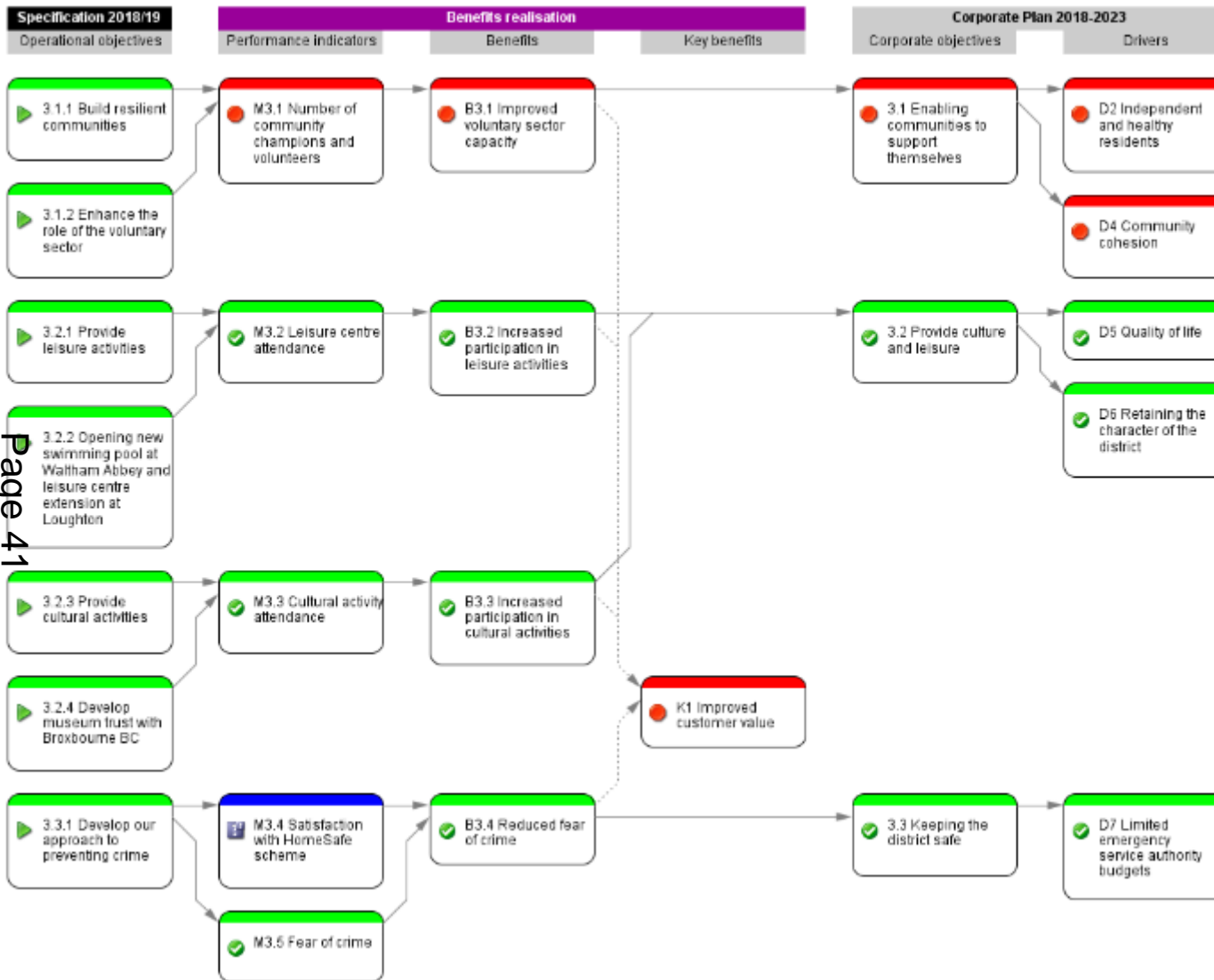
Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
5.00%	7.84%		10.00%			15.00%			20.00%		

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Aim 3 - People and communities achieve their potential

Stronger communities





Aim 3 People and communities achieve their potential

Stronger communities

To enable communities to support themselves through the further development of partnership working with Town and Parish Councils and Voluntary Action Epping Forest, as well as provide opportunities for residents to participate in cultural and leisure activities which celebrate the character and heritage of the District. And finally, to prevent crime and ensure our residents feel safer through partnership working with Essex Police.

Corporate objective 3.1 Enabling communities to support themselves



Developing partnership working with the voluntary sector to help build community capacity and resilience across the district, enabling communities to support themselves.


Operational objective 3.1.1 Build resilient communities

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Build resilient communities	25%	31-Mar-2019	Action On Target	CSC	Assistant Director - Community Services & Safety (CSS01)
Page 42	05-Jul-2018 Q1 – The Community, Health & Wellbeing Team, in partnership with the West Essex CCG, Community Matrons, Community Agents, VAEF, Essex County Fire & Rescue Service and Public Health has undertaken a pilot neighbourhood project in Buckhurst Hill. A door knocking exercise was undertaken and a community event will be facilitated in Q2. Intelligence gathered will be used to determine a partnership response to local need identified. A Community Champions Project has been launched and the initial six geographic localities identified.					


Operational objective 3.1.2 Enhance the role of the voluntary sector

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Enhance the role of the voluntary sector	25%	31-Mar-2019	Action On Target	CSC	Assistant Director - Community Services & Safety (CSS01)
	05-Jul-2018 Q1 – Objective relating to Year 3 of the current Grant Aid SLA with VAEF are in the process of being agreed in line ECC's pan-Essex targets for CVS's.					


Corporate objective 3.2 Providing culture and leisure

	Residents of all ages and backgrounds enjoy opportunities to participate in cultural and leisure activities which celebrate the rural character and heritage of our district.
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Operational objective 3.2.1 Provide leisure activities


RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Provide leisure activities 16-Jul-2018 Leisure activities being met and delivered	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive

Projects & programmes P135 New Leisure Management Contract Programme


RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To maximise participation and value for money in the provision of leisure services to local residents and visitors through a partnership contract to manage the Council's Leisure Centres, and involving the extension of Loughton Leisure Centre as well as a final decision on whether to proceed with the construction of the new North Weald Leisure Centre.	24%	31-Mar-2023	Implement	NSC	Leisure Management Contract Manager

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Operational objective 3.2.2 Opening new swimming pool at Waltham Abbey and leisure centre extension at Loughton

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Opening new swimming pool at Waltham Abbey and leisure centre extension at Loughton 17-Aug-2018 Q1- Leisure Centre is ahead of schedule and due to open in early November 2018. Therefore classed as 70% complete	70%	31-Mar-2019	Action On Target	NSC	Assistant Director - Environment & Neighbourhoods (NNS01)


Projects & programmes **P135 New Leisure Management Contract Programme**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To maximise participation and value for money in the provision of leisure services to local residents and visitors through a partnership contract to manage the Council's Leisure Centres, and involving the extension of Loughton Leisure Centre as well as a final decision on whether to proceed with the construction of the new North Weald Leisure Centre.	24%	31-Mar-2023	Implement	NSC	Leisure Management Contract Manager

Operational objective **3.2.3 Provide cultural activities**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Provide cultural activities	25%	31-Mar-2019	Action On Target	CSC	Museum, Heritage & Culture Manager (CHC01)
23-Jul-2018 Q1 - total users for cultural activities during q1 is 130117, where 8726 attended in person.						

Operational objective **3.2.4 Develop museum trust with Broxbourne BC**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Develop museum trust with Broxbourne BC	25%	31-Mar-2019	Action On Target	CSC	Museum, Heritage & Culture Manager (CHC01)
13-Jul-2018 Q1 – all trustees appointed , trust has met four times, the trust is registered with Companies House but still awaiting registration with the Charity Commission. Trustees supported MHC with its first Crowd funding campaign and has outlined its initial fundraising priorities. A formal launch of the trust will take place on the 13th October.						

Projects & programmes **P008 Museum Development Trust**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
▶	To establish a Development Trust for the Epping Forest and Lowewood Museum services, involving the securing of additional income for activities, exhibitions and events, as well as providing opportunities for the greater inclusion of minority groups.	98%	31-Oct-2018	Implement	CSC	Assistant Director - Community Services & Safety (CSS01)

Corporate objective **3.3 Keeping the district safe**

▶	Working in partnership with Essex Police to prevent crime and ensure our residents feel safe in the community.
---	--

Operational objective **3.3.1 Develop our approach to preventing crime**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Develop our approach to preventing crime	25%	31-Mar-2019	Action On Target	CSC	Director of Communities (CDR01)
	04-Jul-2018 Q1 - The Epping Forest Community Safety Hub will be officially launched on 20th July within the Civic Offices in Epping. Three full time police officers a sergeant and two PC's work from the Civic offices using a marked police vehicle. They are working in collaboration with the Community Safety Team as an integrated Community Safety Hub. The officers work activities are directed by tasking requests and must relate to priorities of the Police and Crime Plan or the Community Safety Partnership priorities for the district.					

Projects & programmes **P181 EFDC Community Safety Hub**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
▶	To create a new Community Safety Hub at the Civic Offices to tackle the rising incidents of crime and anti-social behaviour within the District involving the hosting of 3 Essex Police Officers, the refurbishing of the Community Safety Team Office and the commissioning of Parkguard Security to undertake targeted patrolling.	54%	30-Jun-2021	Prototype	RSC	Safer Communities Manager (CSC01)

Performance indicator M3.1 Number of Community Champions and volunteers

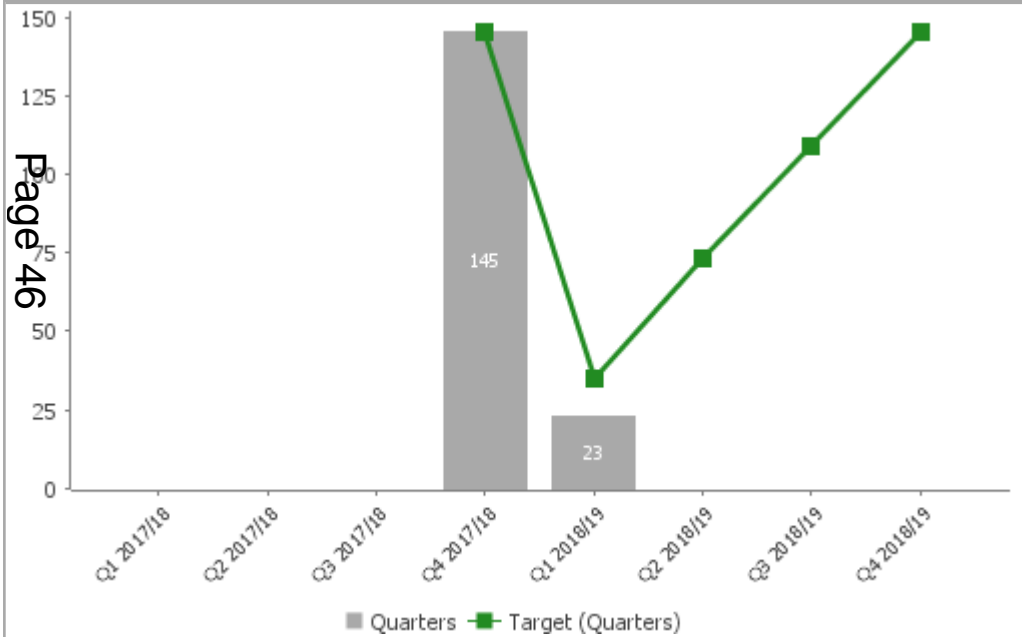
The aim of this indicator is to measure the increase in the number of community leaders and volunteers in the Epping Forest District. Volunteering is of importance in community terms, as it helps to create more resilient, vibrant and self-supporting communities.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
▶ Yes	2018	CSC

Manager
Assistant Director - Community Services & Safety (CSS01) Community, Health & Wellbeing Manager (CHW01)

<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Aim to Maximise	Corporate	↓

Trend chart



Comments
24-Jul-2018 23 volunteers have been placed with organisations. VAEF are currently in process of finding out if volunteers have been placed. So placement figure is lower than anticipated at this stage

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
35	23	🔴	73			109			145		

 Performance indicator **M3.2 Leisure centre attendance**

The number of attendances at leisure centres through Epping Forest District Council

Is year-end target likely to be achieved?

 Yes

Live from

2018

Scrutiny

NSC

Manager

Assistant Director - Environment & Neighbourhoods (NNS01)

Good performance

Aim to Maximise

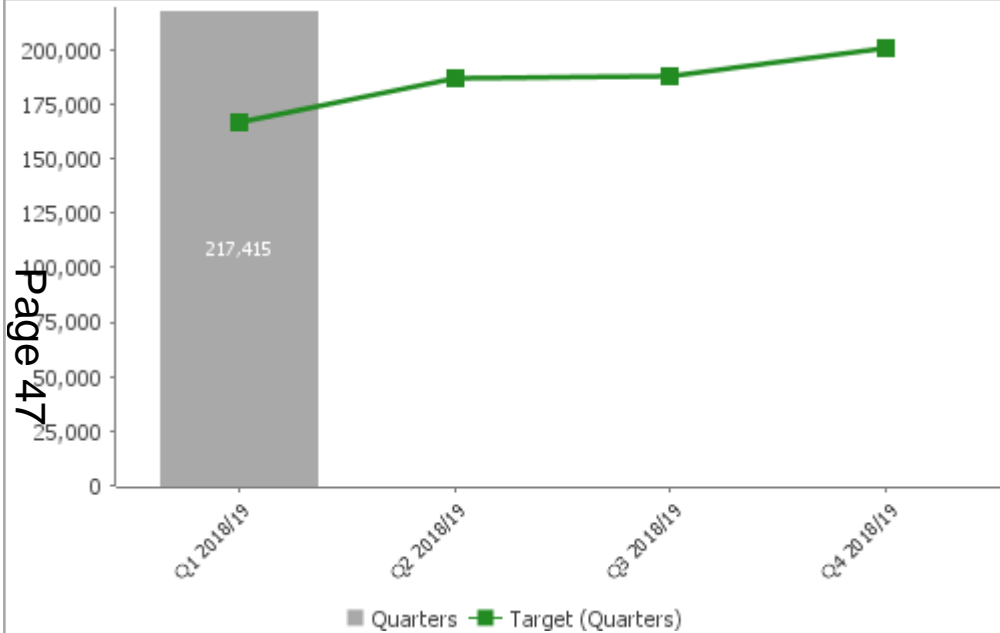
Corporate or Partnership indicator

Corporate

Annual trend




Trend chart



Comments

02-Aug-2018 Q1 18/19 - Exceeded on Q1 17/18 target massively as year one target was when contract was initially implemented and not all the data recording was in place at the time

Corrective action

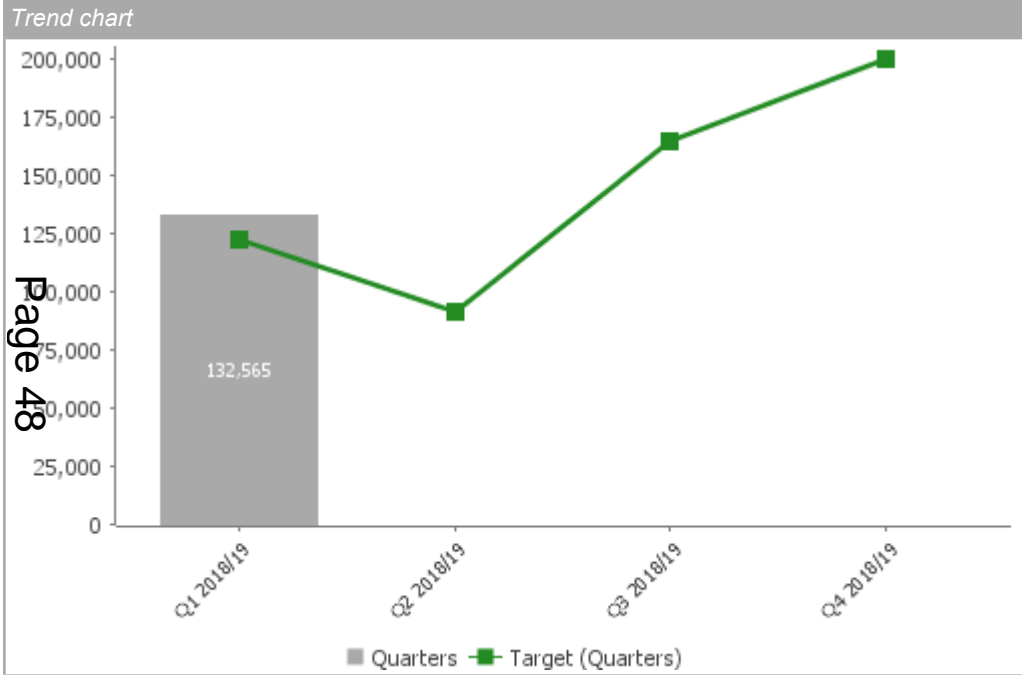
Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
167,235	217,415		187,545			187,874			200,970		

 **Performance indicator M3.3 Cultural activity attendance**

The increased number of attendances at museum, heritage and cultural activities provided by Epping Forest District Council.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
 Yes	2018	CSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Community Services & Safety (CSS01)	Aim to Maximise	Corporate	



Comments

03-Aug-2018 Figures for the current quarter demonstrate a percentage increase on the cultural activity engagement targets in line with the percentage increase targets as identified in the corporate plan

13-Jul-2018 Q1 - Total users 132565


Users in person 8726

April 2181/42673

May 3002/39669

June 3543/50223

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
122,667	132,565		91,014			164,456			200,000		

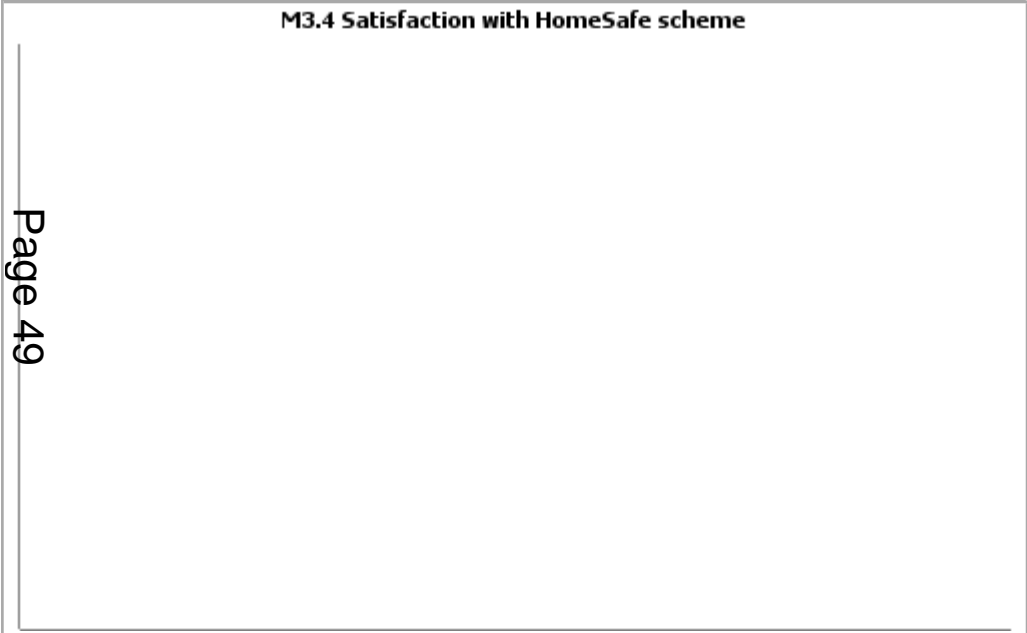
? Performance indicator **M3.4 Satisfaction with HomeSafe scheme**

This indicator relates to the satisfaction levels of the HomeSafe scheme which was reviewed in 2017/18. Baseline data is to be collected in 2018/19 to allow for a target to be set from 2019/20 onwards. The intended measure is to be an increase in the satisfaction levels.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
● Not applicable	2019	CSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Community Services & Safety (CSS01)	Aim to Minimise	Partnership	?

Trend chart *Comments*



Corrective action

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>

Performance indicator M3.5 Fear of crime

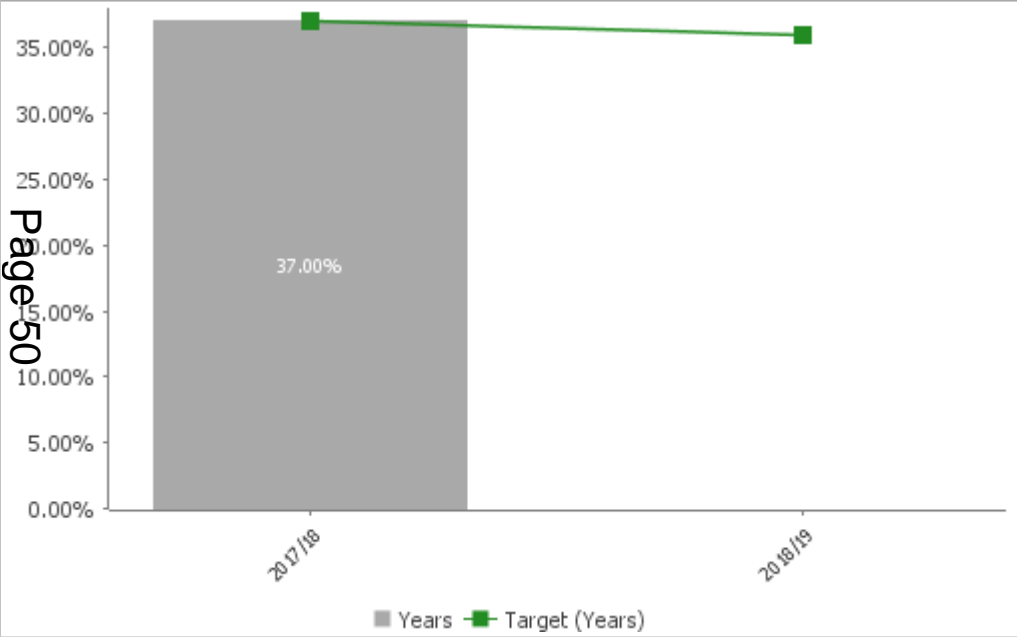
This indicator relates to the reduced fear of crime within the Epping Forest District year-on-year. It is informed by the 'Public Views and Experience of Policing and Criminal Justice in Essex' annual survey (Essex Police).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
▲ Uncertain	2018	CSC

Manager
Assistant Director - Community Services & Safety (CSS01)

<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Aim to Minimise	Partnership	?

Trend chart



Comments

29-Aug-2018 Please note this is an annual indicator

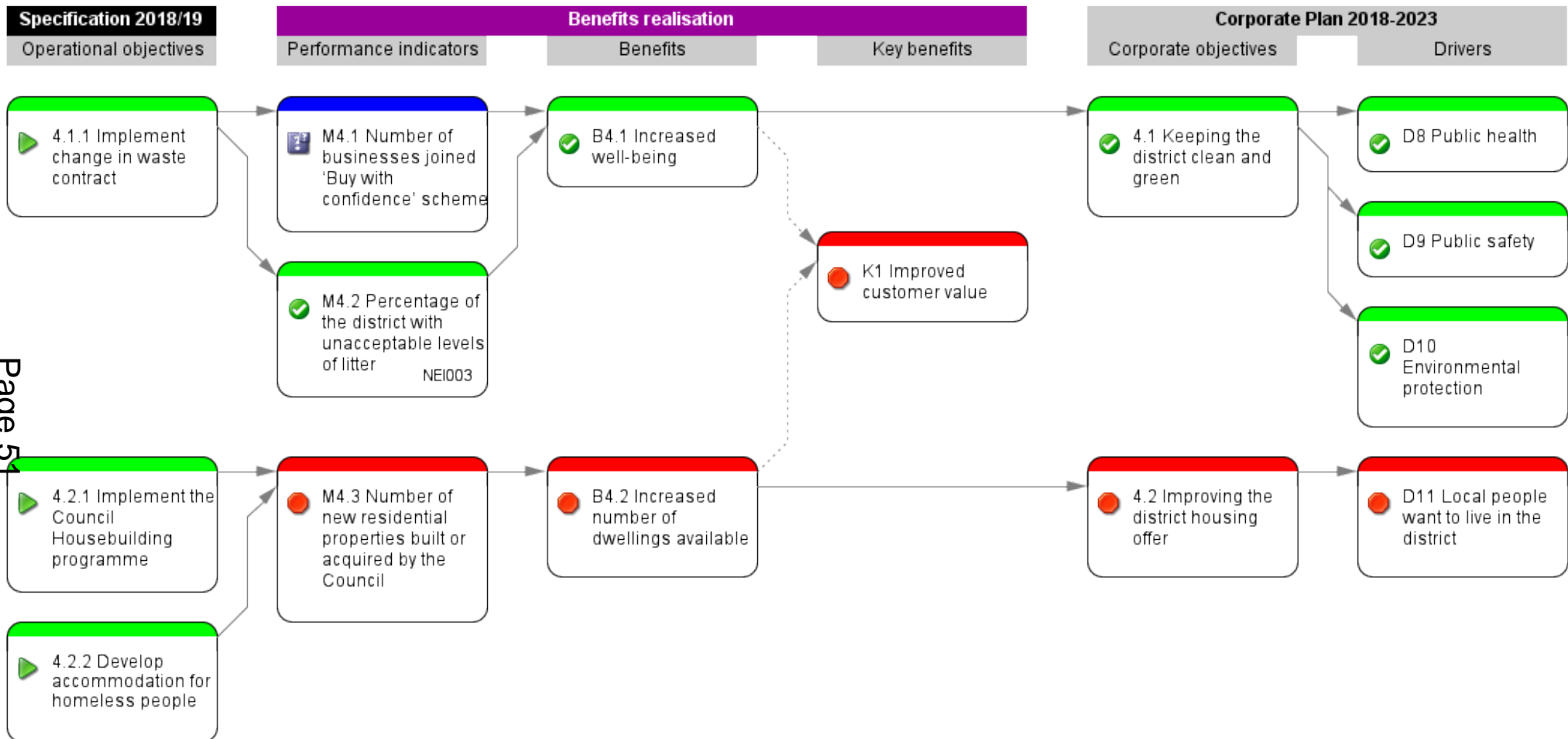
Corrective action

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2018/19		
Target	Value	Status
36.00%		

Aim 4 - Delivering effective core services that people want

Stronger places



Aim 4 Delivering effective core services that people want Stronger places

To strive for a cleaner, greener and attractive District where people feel proud to live and work, as well as to ensure the District has homes and neighbourhoods which accommodate the needs of those who wish to live in the District – including homeless people.

Corporate objective 4.1 Keeping the district clean and green

▶ Striving for a cleaner, greener and attractive district in which businesses and communities prosper, where people feel proud to live and work.

Operational objective 4.1.1 Implement change in waste contract

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Implement change in waste contract	0%	31-Mar-2019	Action On Target	NSC	Assistant Director - Technical (NTS01)
	31-Aug-2018 The Waste Management Partnership Board (WMPB) has established a Innovation Forum (IF) comprising of Biffa and Council Officers to look at ideas and report back with progress.					


Corporate objective 4.2 Improving the district housing offer

▶ Epping Forest will be a district that has homes and neighbourhoods that are safe, decent and attractive and that can accommodate the needs of those who want to live in the district including homeless people.


Operational objective 4.2.1 Implement the Council Housebuilding programme

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Implement the Council Housebuilding programme	25%	31-Mar-2019	Action On Target	CSC	Assistant Director - Housing Property (CPY01)
	06-Jul-2018 Q1 – Phase 2 (Burton Rd, Loughton) is due for completion in December 2018. 5 of the 34 homes on 2 sites in Phase 3 are completed, with the remaining 29 homes on due for completion on 5 sites between July 2018 and August 2019 – although issues have arisen at two of the sites that will now delay their completion. The newly-appointed consultants and contractors for Phase 4-6 are working collaboratively on an appropriate programme of work, which the two contractors will price in due course.					


Projects & programmes **P120 Council Housebuilding Programme**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To undertake a phased housebuilding programme within the District, using the '1-4-1' right-to-buy receipts and underutilised Council-owned land, to provide further social housing within the District for use by applicants on the Council's Housing Register, and involving the purchase of properties on the open market, as well as the purchase of affordable housing provided by developers under Section 106 Legal Agreements.	78%	12-Dec-2020	Implement	CSC	Senior Project Manager (Housing) .

Operational objective **4.2.2 Develop accommodation for homeless people**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Develop accommodation for homeless people	25%	31-Mar-2019	Action On Target	CSC	Assistant Director - Housing Property (CPY01)
06-Jul-2018 Q1 - The contract for the supply and erection of the 3 modular units to accommodate 6 single homeless people at Norway House, North Weald (plus a modular store) is currently out to tender. Completion for the project is scheduled for December 2018.						

Projects & programmes **P151 Homeless PODs**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To provide temporary accommodation for homeless households at a lower cost than either traditional built, permanent accommodation or placing such households in expensive bed and breakfast accommodation. The pilot scheme will assemble three pods at Norway House to accommodate six single, vulnerable, homeless persons.	27%	31-Jul-2019	Initiation	CSC	Senior Project Manager (Housing)

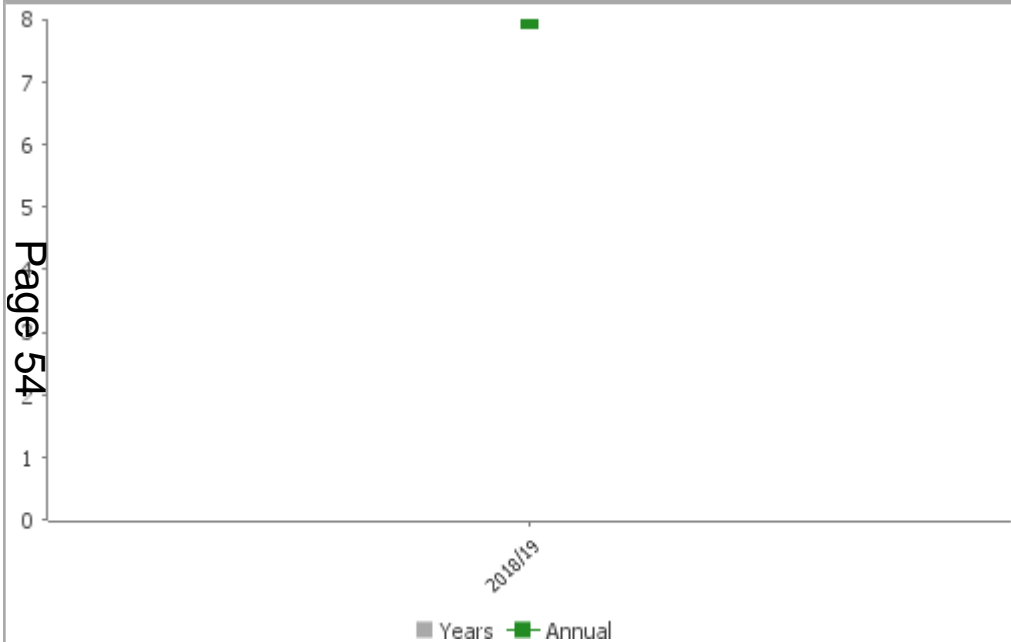
? Performance indicator **M4.1 Number of businesses who joined the 'Buy with confidence' scheme**

This indicator is a measure of the successful implementation and promotion of the 'Buy with confidence' (BWC) scheme.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
⚠️ Uncertain	2018	NSC
<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Aim to Maximise	Corporate	?

Manager
Acting Chief Executive

Trend chart



Comments

24-Aug-2018 Q1 18/19 update - One Company has signed up in EFDC and another in plan. However the target of 8 may prove difficult to meet due to the Fee of £400.00 charged to businesses to join the scheme as and possibly as the business is also subjected to an external audit by the Trading standards'

Corrective action

May need to review the target as appearing more difficult than agreed.

2018/19		
Target	Value	Status
8		

Performance indicator M4.2 Percentage of the district with unacceptable levels of litter

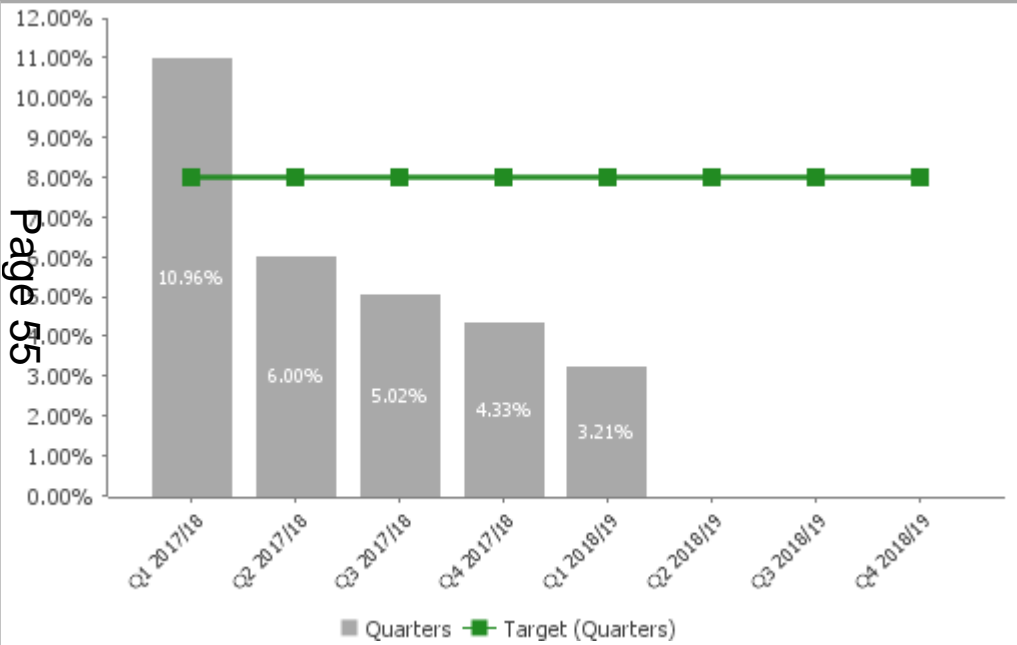
This indicator seeks to reduce unacceptable levels of litter. Performance is based on surveys of prescribed sites carried out over four quarterly periods each year, and represents the percentage of relevant land with deposits of litter which exceed the acceptable level (Previously NEI003).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
Yes	2007	NSC

Manager
Assistant Director - Technical (NTS01)

<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Aim to Minimise	Corporate	

Trend chart



Comments
15-Aug-2018 Target Achieved
01-May-2018 Q4 - Target met

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
8.00%	3.21%		8.00%			8.00%			8.00%		

Performance indicator M4.3 Number of new residential properties built or acquired by the Council

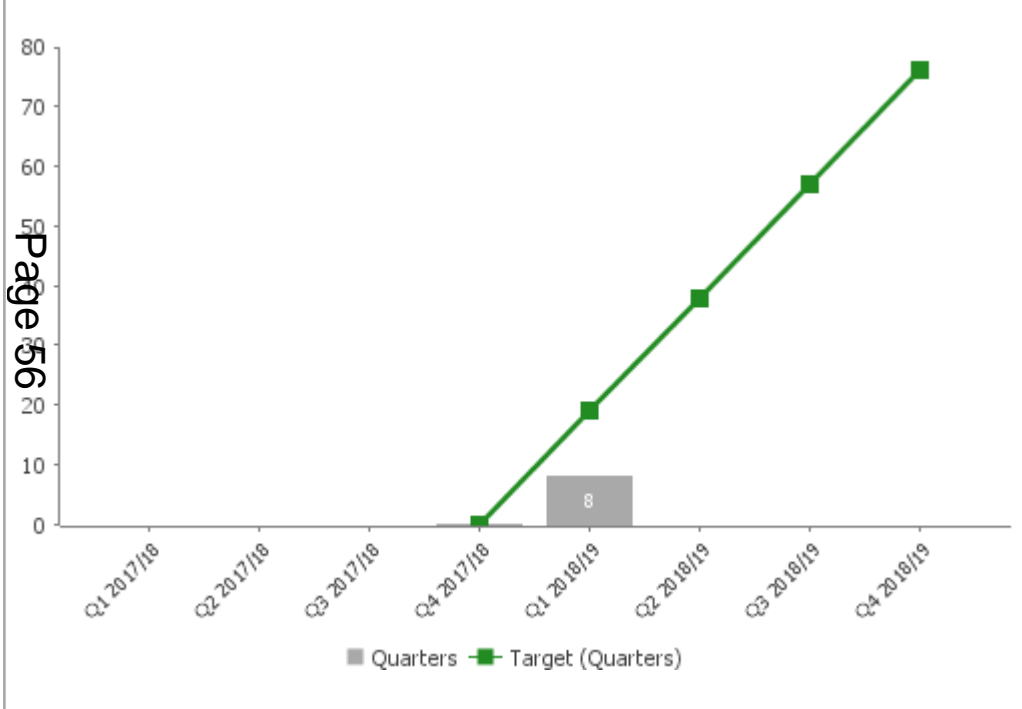
To increase the level of Council housing in the District. To make better use of the Council's land to provide affordable housing.

Is year-end target likely to be achieved?	Live from	Scrutiny
⚠️ Uncertain	2018	CSC

Manager
Assistant Director - Housing Property (CPY01)

Good performance	Corporate or Partnership indicator	Annual trend
Aim to Maximise	Corporate	⬆️

Trend chart



Comments

29-Aug-2018 25-Jul-2018 8 sites were completed at Barnfields. We were due to complete on the following sites; Springfield, Centre Road, Centre Drive and Parklands.

Stewards Green site: delays due to asbestos contamination at a late stage in the construction. Materials that had previously been notified as being asbestos free were used in the formation of the hard core for the new road base which was then later found to contain asbestos. This was compounded when it was later found that there had also been cross contamination to the topsoil in some areas of the soft landscaping

Burton Road site – delays due to unexpected ground obstructions (live electricity cable that was not shown on existing service drawings was found running through the whole site) and issues with ground levels

13-Jul-2018 Baseline is 0 (zero) properties for 2017-18. Evidence to be supplied.

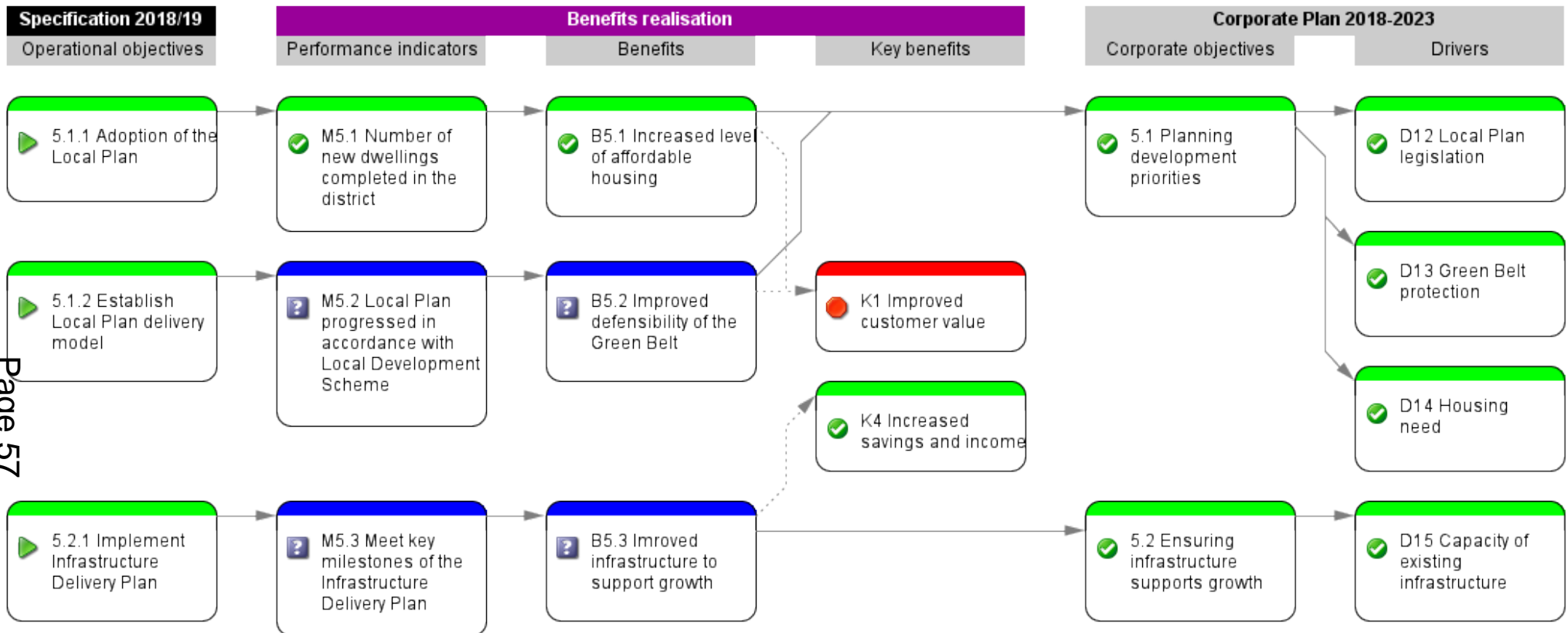
Corrective action

All sites were delayed due to service provisions, design issues and performance problems with the employee agent all of which are being managed

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
19	8	⚠️	38			57			76		

✓ Aim 5 - A district with planned development

Stronger places



 **Aim 5 A district with planned development**


Stronger places

To provide planning development opportunities for delivering strategically planned growth, supported by essential infrastructure provision, which addresses the provision of affordable housing in the District whilst also protecting the Green Belt and rural landscape.


Corporate objective 5.1 Planning development priorities

 Creating a sustainable environment including planning for growth, to address issues such as the provision of affordable housing, whilst protecting the Green Belt and rural landscape.

Operational objective 5.1.1 Adoption of the Local Plan


RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Adoption of the Local Plan	25%	31-Mar-2019	Action Under Control	NSC	Acting Chief Executive
Page 58	06-Jul-2018 Q1 – The Local Plan has been delayed following a Planning Court ruling on 20 March 2018 when Mrs Justice Lang in granting leave for a full hearing ordered that the Council be restrained from submitting the LPSV for independent examination until the final determination of the judicial review claim, or further order. The judicial review hearings were held on 23 and 24 May 2018. In the judgement given by Mr Justice Supperstone on 29 June 2018, the High Court dismissed the legal challenge to the Local Plan paving the way for the Council to submit the Plan to the Secretary of State for Independent Examination.					

Projects & programmes P115 Local Plan Programme

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To produce a sound Local Plan that meets the future needs of our communities following consultation with local residents and neighbouring local Councils, and involving a Green Belt Review, Infrastructure Delivery Plan, Transport assessments and Housing Market assessments.	41%	01-Apr-2019	Implement	NSC	Interim Assistant Director (NFP502) .
	29-Aug-2018 Q1 – The Local Plan has been delayed following a Planning Court ruling on 20 March 2018 when Mrs Justice Lang in granting leave for a full hearing ordered that the Council be restrained from submitting the LPSV for independent examination until the final determination of the judicial review claim, or further order. The judicial review hearings were held on 23 and 24 May 2018. In the judgement given by Mr Justice Supperstone on 29 June 2018, the High Court dismissed the legal challenge to the Local Plan paving the way for the Council to submit the Plan to the Secretary of State for					

Independent Examination.


Operational objective 5.1.2 Establish Local Plan delivery model

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Establish Local Plan delivery model	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive
<p>06-Jul-2018 Q1 – Work is continuing with site promoters, Essex County Council and where appropriate, Harlow Council, to put in place Planning Performance Agreements (PPAs) which will provide an agreed framework and project plan for the production of Strategic Masterplans for the Garden Communities and for the Masterplan areas across the rest of the District. The PPA's and Strategic Masterplans will ensure that planning proposals for the sites will be "front-loaded" and co-ordinated, whilst also ensuring the timely progression of planning applications and delivery.</p>						

Corporate objective 5.2 Ensuring infrastructure supports growth

 High quality sustainable development supported by appropriate infrastructure provision.

Operational objective 5.2.1 Implement Infrastructure Delivery Plan

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Implement Infrastructure Delivery Plan	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive
<p>06-Jul-2018 Q1 – The Council has received funding totaling £150,000 from the MHCLG Design Quality funding stream to support the implementation of the Local Plan to supplement the DDF funding agreed by Cabinet on 7 December 2017 to establish a new Implementation Team from 1 April 2018. Specialist external consulting support has been procured to assist in the delivery of the Infrastructure Delivery Plan across the Garden Town Area to include the strategic sites in Epping Forest.</p>						

✓ Performance indicator M5.1 Number of new dwellings completed in the district

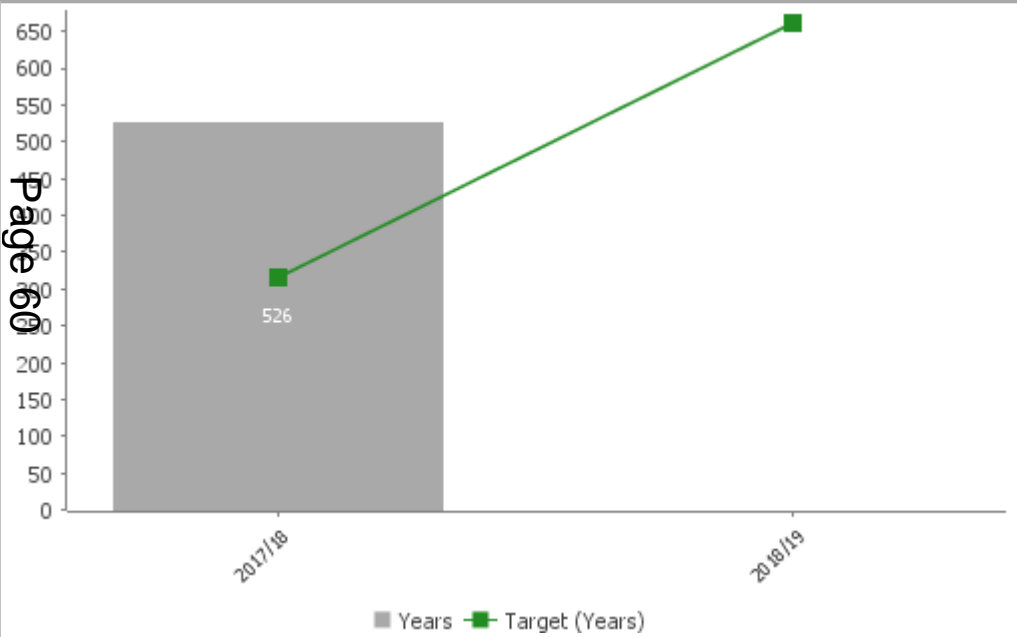
This Performance Indicator will measure progress towards completion of new dwellings as per the Local Plan projection. The Local Plan sets out the approach and detailed policies for the whole District for the period up to 2033 including identified housing requirements.

Is year-end target likely to be achieved?	Live from	Scrutiny
● Not applicable	2018	CSC

Manager
Interim Assistant Director (NFP502)

Good performance	Corporate or Partnership indicator	Annual trend
Aim to Maximise	Corporate	↑

Trend chart





Comments
30-Aug-2018 17/18 Total data achieved includes 'Decision on Dates' which is when the decision was granted. Please note this is an Annual indicator.

Corrective action

2018/19		
Target	Value	Status
661		

? Performance indicator **M5.2 Local Plan progressed in accordance with Local Development Scheme**

This indicator will measure the progress of the Local Plan in accordance with Local Development Scheme.	<i>Is year-end target likely to be achieved?</i>		<i>Live from</i>	<i>Scrutiny</i>
	 Yes		2018	NSC
<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>		<i>Annual trend</i>
Interim Assistant Director (NFP502)	Aim to Maximise	Corporate		
<i>Trend chart</i>	<i>Comments</i>			
This is a Yes / No indicator, i.e. it shows whether an event has taken place - Yes or No.				
	<i>Corrective action</i>			

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>
Yes		

? <i>Performance indicator</i> M5.3 Meet key milestones of the Infrastructure Delivery Plan				
This indicator will measure the achievement of milestones of the Infrastructure Delivery Plan (IDP).	<i>Is year-end target likely to be achieved?</i> ● Not applicable		<i>Live from</i> 2019	<i>Scrutiny</i> NSC
	<i>Good performance</i>		<i>Corporate or Partnership indicator</i>	
<i>Manager</i> Interim Assistant Director (NFP502)	Aim to Maximise		Corporate	
<i>Trend chart</i>		<i>Annual trend</i> ?		
<i>Trend chart</i>		<i>Comments</i> Milestones for this indicator will be reported once the Local Plan is adopted, which is expected to happen in May 2019.		
This is a Yes / No indicator, i.e. it shows whether an event has taken place - Yes or No.		<i>Corrective action</i>		

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>

Aim 6 - An environment where businesses thrive

Stronger places

Specification 2018/19

Operational objectives

Benefits realisation

Performance indicators

Benefits

Key benefits

Corporate Plan 2018-2023

Corporate objectives


Drivers




 **Aim 6 An environment where new and existing businesses thrive** Stronger places

To encourage sustainable economic development, including a thriving and sustainable tourist and visitor economy, as well as improving educational achievement and career opportunities for young people, which increases employment opportunities for local people.

Corporate objective 6.1 Supporting business enterprise and attracting investment


 Achieving the best possible outcome for businesses and residents of the district by encouraging sustainable commercial and economic development. Generating long term financial benefits and increasing employment opportunities for local people.

Operational objective 6.1.1 Implement Economic Development Strategy


RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Implement Economic Development Strategy	25%	31-Mar-2019	Action On Target	NSC	Local Strategic Partnership Manager (NSP01)
	31-Aug-2018 Q1 - Data collection is underway. Outline Delivery Plan has been approved by AMED. (Cabinet Committee) On target for production of strategy by February 2019.					

Page 64

Operational objective 6.1.2 Prepare St John's Road redevelopment site, Epping

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Prepare St John's Road redevelopment site, Epping	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive
	06-Jul-2018 Q1 – After a protracted period of discussion between Frontier Estates and Epping Town Council with regard to the Town Council's replacement facilities, the tri-partite contract was due to be entered into in early June, preparing the way for the preparation and submission of the planning application for the site. The application will be for a mixed use scheme in accordance with the Design and Development Brief previously agreed.					

Projects & programmes P114 St John's Road Development

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To facilitate the progress of the St Johns Road redevelopment	92%	31-Mar-2018	Implement	NSC	Acting Chief Executive

	scheme to construct a mixed use scheme, and involving the purchase of land from Essex County Council, the demolition of various existing buildings and the relocation of the Council's Housing Repairs team.					
18-May-2018 Project manager to provided update on final actions.						

Corporate objective 6.2 People develop skills to maximise their employment potential

- ▶ Improving educational achievement, with fewer young people not in education, employment or training. Building opportunities for young people to progress their careers through our apprenticeship scheme – recognising and rewarding excellence.

Operational objective 6.2.1 Deliver Council apprenticeships scheme

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Deliver Council apprenticeships scheme	25%	31-Mar-2019	Action On Target	RSC	Learning & Development Manager (RHR02)
04-Jul-2018 Q1 - Apprentices are in their second 6 month work placements, they are 80% complete on their qualifications, all 9 have passed their first year with us and will be offered a second year plus a further apprenticeship qualification. Apprentices also successfully supported delivery of Crucial Crew where they developed and delivered a scenario based on Drugs Awareness.						

Corporate objective 6.3 Promoting retail, tourism and the visitor economy

- ▶ A thriving sustainable tourism and visitor economy which seizes the opportunities of our towns and countryside, history and heritage, and enhances our businesses, communities and environment.

Operational objective 6.3.1 Implement Tourism and Visitor Economy Strategy

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Implement Tourism and Visitor Economy Strategy	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive
06-Jul-2018 Q1 - District Tourism Strategy has been agreed by the Epping Forest Tourism and Visitor Board. Discussions with neighbouring authorities in relation to a joined strategy to take place.						

 Performance indicator M6.1 Adoption of an Economic Development Strategy.			
This indicator aims to ensure that a new Economic Development Strategy is adopted by the Council.	Is year-end target likely to be achieved?		Live from
	 Yes		2018
Manager	Good performance	Corporate or Partnership indicator	Annual trend
Local Strategic Partnership Manager (NSP01)	Aim to Maximise	Partnership	
Trend chart	Comments		
This is a Yes / No indicator, i.e. it shows whether an event has taken place - Yes or No.			
	Corrective action		

2018/19		
Target	Value	Status
Yes		

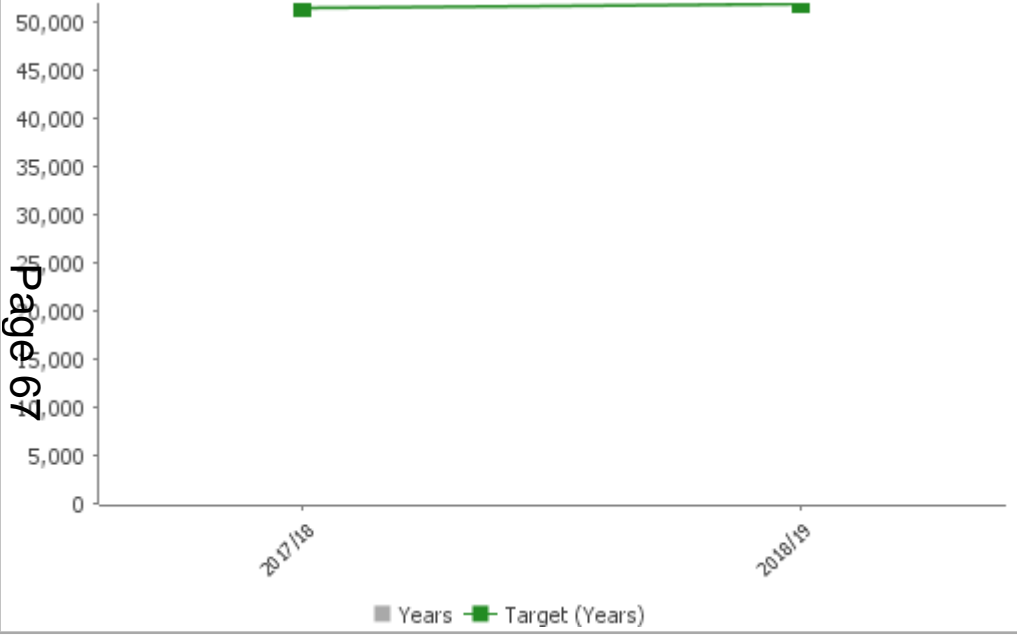
 **Performance indicator M6.2 Number of new jobs**

The indicator is intended to measure the number of new employee jobs available in the District.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
 Uncertain	2018	NSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Local Strategic Partnership Manager (NSP01)	Aim to Maximise	Partnership	

<i>Trend chart</i>	<i>Comments</i>
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16-Aug-2018 The most recent data update on NOMIS (or revision) was on 24/01/18 for the release of 2016 data. The next data release is expected in January 2019 for 2017 data. Therefore this indicator will be reported annually at quarter 4.

08-Aug-2018 Data for 2017/18 is not available yet from NOMIS - (Calendar year)

Corrective action

Labour and employment data is released by ONS annually around end Q3. Progress will be reported when this data is available.

2018/19		
Target	Value	Status
52,015		

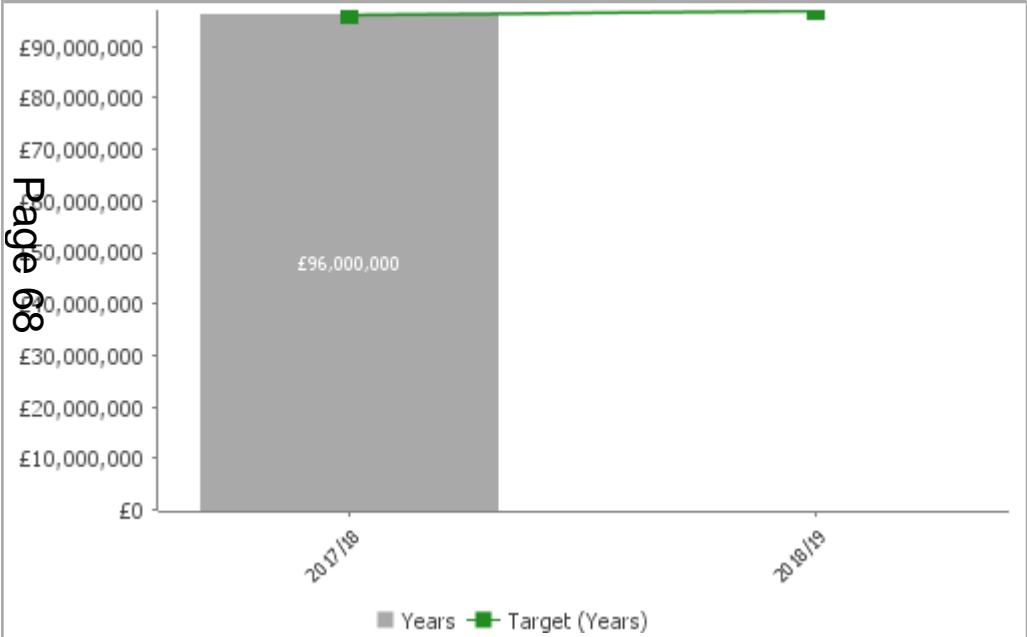
? Performance indicator **M6.3 Increase of Business Rates Tax Base**

To develop the business rates base within the District by encouraging businesses to be created, expanded or enter the District and which results in new rating assessments and thereby increasing the overall rateable value for the District.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
⚠ Uncertain	2018	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Director of Communities (CDR01)	Aim to Maximise	Corporate	?

Trend chart *Comments*



31-Aug-2018 To use 2017/18 as baseline with 1% increase for 2018/19

Corrective action
Please note this is a year end 2019 measure

2018/19		
Target	Value	Status
£97,000,000		



Performance indicator M6.4 Number of apprenticeships within the organisation

This indicator is aligned to the Council's objective to help young people in the District to maximise their employment potential. The Council needs to demonstrate that it has actively considered apprenticeships, either for new recruits or as part of career development for existing staff.

Is year-end target likely to be achieved?

Yes

Live from

2018

Scrutiny

RSC

Manager

Assistant Director - Human Resources (RHR01)

Good performance

Aim to Maximise

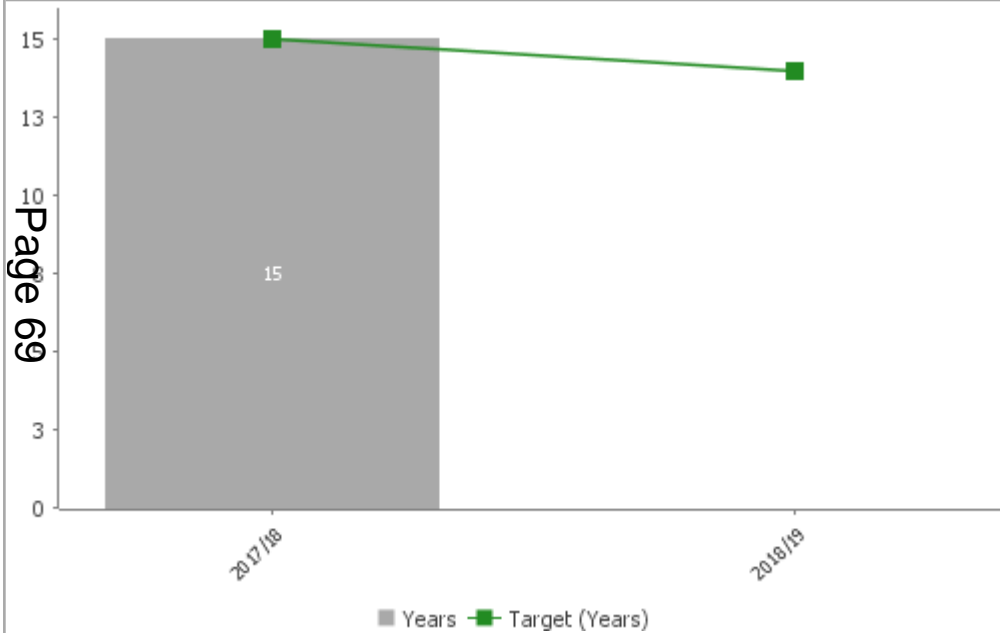
Corporate or Partnership indicator

Corporate

Annual trend



Trend chart



Comments

Corrective action

2018/19		
Target	Value	Status
14		

Performance indicator M6.5 Visits to the Council's 'Visit Epping Forest' website

This indicator will measure an increase in total number of visits to the Council's 'Visit Epping Forest' website.

Is year-end target likely to be achieved?

▶ Yes

Live from

2018

Scrutiny

NSC

Manager

Local Strategic Partnership Manager (NSP01)

Good performance

Corporate or Partnership indicator

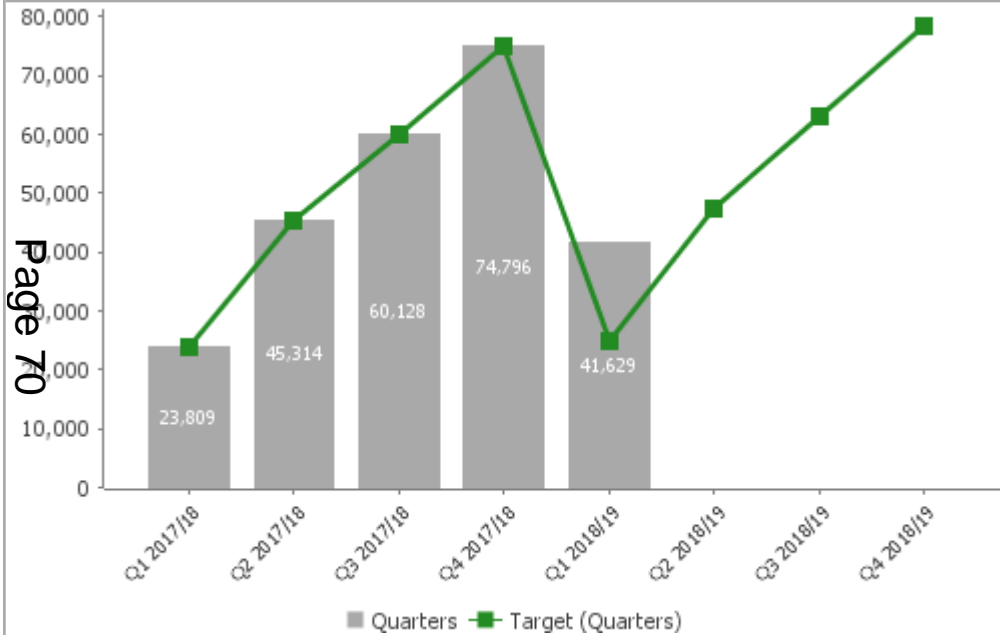
Annual trend

Aim to Maximise

Partnership



Trend chart



Comments

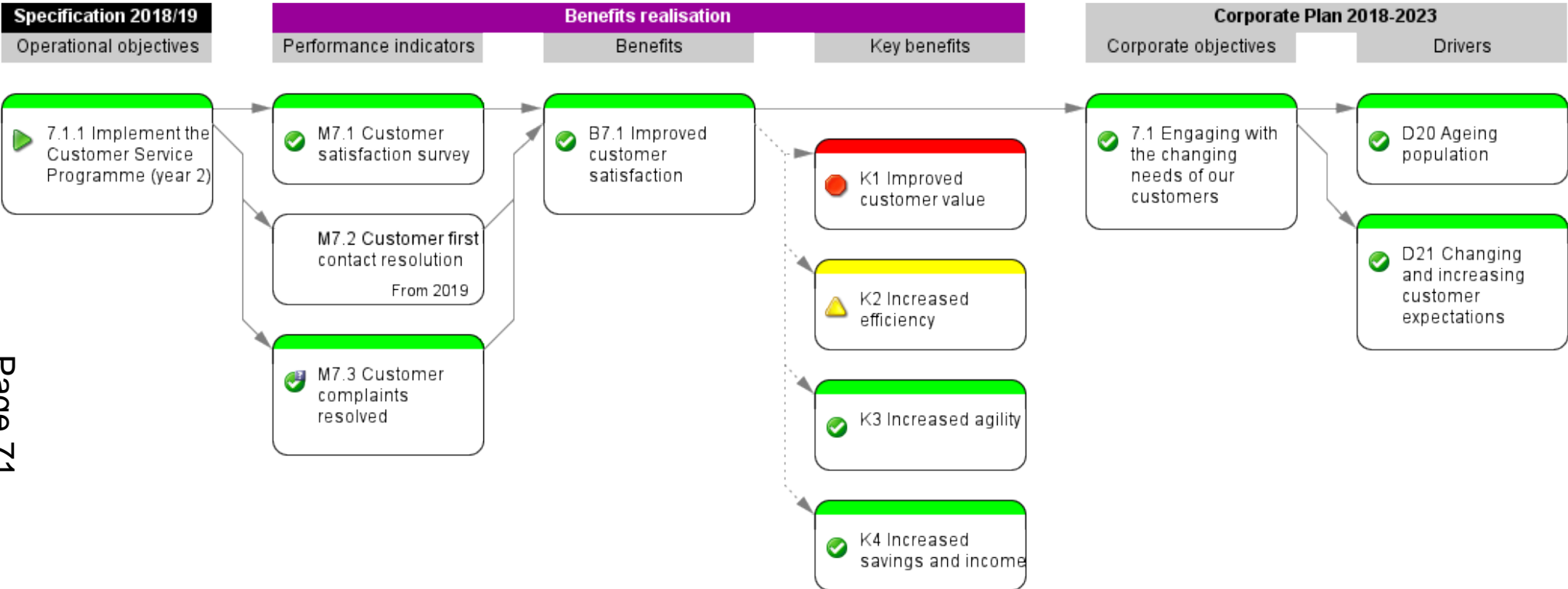
20-Jul-2018 The increased figure for Visitors to the Website is due to the improvements completed on the Website and user penetration (Analytics attached).

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
24,744	41,629	✔	47,184			62,933			78,536		

✓ Aim 7 - Customer satisfaction

Stronger council





Aim 7 Customer satisfaction

Stronger council

To engage with our customers to ensure that our services meet their expectations and needs, both now and in the future.

Corporate objective 7.1 Engaging with the changing needs of our customers



As our customers needs develop, we will change our approach to ensure we meet expectations and have services that are fit for customers.

Operational objective 7.1.1 Implement the Customer Service Programme (year 2)

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Implement the Customer Service Programme (year 2)	25%	31-Mar-2019	Action On Target	O&S	Head of Customer Service (XEX04)
Page 72	05-Jul-2018 Q1 - Transition of the main Civic Offices Reception into the Contact Centre is now complete. The next phase (Development Management) is now underway with process mapping of current workflows almost complete. Analysis of process and volumes will then be undertaken in conjunction with the Business Support Programme to ensure activity follows the Common Operating Model. The new website and CRM is in development.					

Projects & programmes P001 Customer Service Programme

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To make improvements to the Council's Customer Service function, which has evolved in a piecemeal fashion historically, involving the establishment of a Corporate Customer Contact Centre, refurbishment of the Customer Reception at the Civic Offices, encouraging greater use of self-service channels, and the implementation of a Customer Relationship Management system.	50%	31-Mar-2019	Implement	O&S	Head of Customer Service (XEX04)

 **Performance indicator M7.1 Customer satisfaction survey**

The 2017/18 customer experience survey stated that 58% of customers strongly agreed, or agreed to some extent their most recent query was resolved to their satisfaction.

Is year-end target likely to be achieved?

 **Yes**

Live from

2018

Scrutiny

O&S

Manager

Head of Customer Service (XEX04)

Good performance

Aim to Maximise

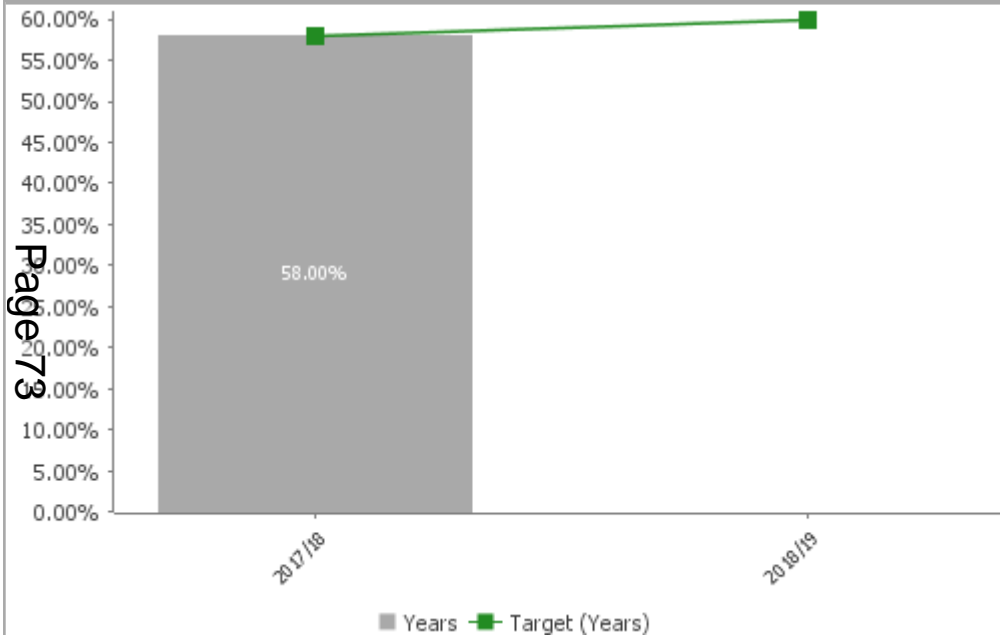
Corporate or Partnership indicator

Corporate

Annual trend



Trend chart



Comments

13-Jul-2018 Data from Epping Forest Customer Satisfaction survey, with fieldwork conducted from 13-Mar-17 to 30-Mar-17 with 502 responses overall. The sample is broadly representative of the districts population by electoral ward, age, gender and ethnic group.

Those who have contacted the council in the past 12 months rated their experience of their most recent interaction or query to the council, 58% agreed that their query had been resolved to their satisfaction, with 43% strongly agreeing. 28% disagreed, with 19% disagreeing strongly.

Corrective action

2018/19

Target	Value	Status
60.00%		



Performance indicator M7.3 Customer complaints resolved

The Council's Complaints Policy has an Service Level Agreement (SLA) of 10 working days with which to resolve Stage 1 complaints for customers from receipt into the organisation. The Council is seeking to ensure that this target is achieved or exceeded for all customers.

Is year-end target likely to be achieved?

Uncertain

Live from

2018

Scrutiny

O&S

Manager

Head of Customer Service (XEX04)

Good performance

Aim to Maximise

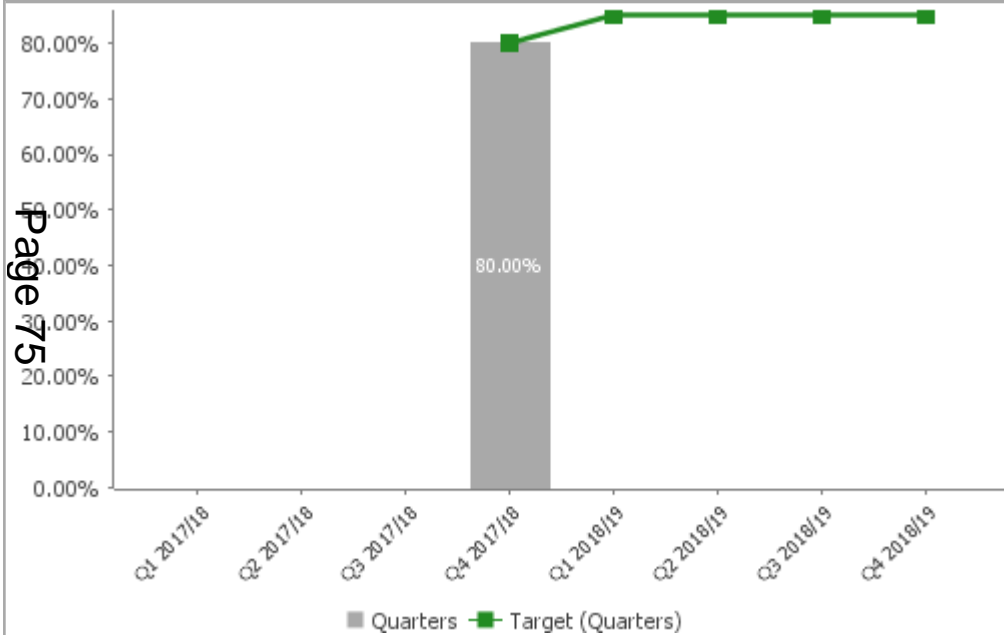
Corporate or Partnership indicator

Corporate

Annual trend



Trend chart



Comments

29-Aug-2018 Awaiting Q1 18/19 data - delayed due to CRM logging & ICT related issues. J Barnard agreed with D Bailey that accurate Q1 data was unavailable.

13-Jul-2018 Evidence to be recorded on Pentana for Q4 2017/18 outturn.

Corrective action

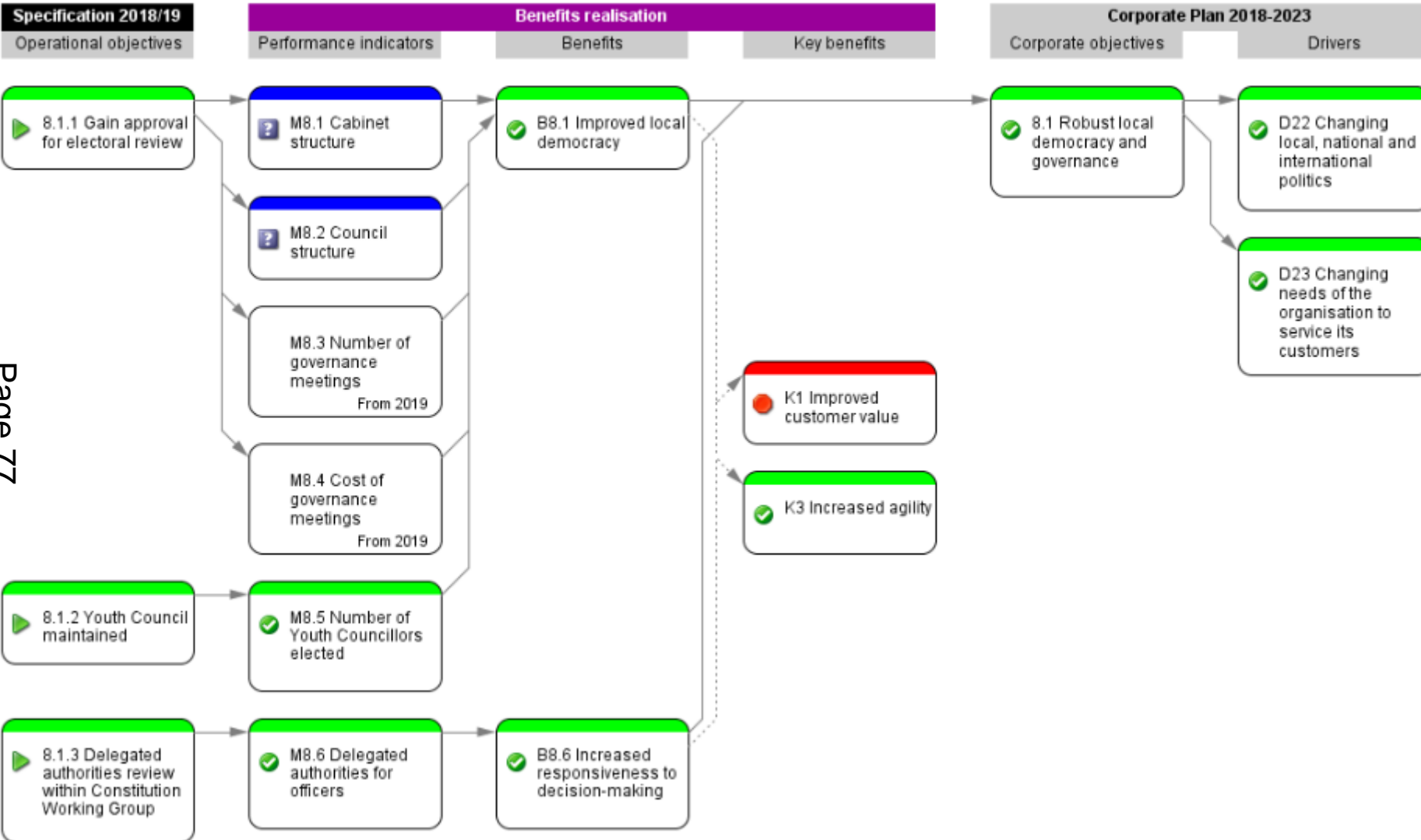
To resolve ICT issues

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
85.00%			85.00%			85.00%			85.00%		

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✓ Aim 8 - Democratic engagement

Stronger council




 **Aim 8 Democratic engagement**


Stronger council

To ensure our decision making processes are ready for the forthcoming changes at local, national and international level, and promote voter registration to give local residents a voice.


Corporate objective 8.1 Robust local democracy and governance

 The political landscape is going through changes at a Local, National and International level. Our decision making must be ready for these future developments.


Operational objective 8.1.1 Gain approval for electoral review




RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Gain approval for electoral review	25%	31-Mar-2019	Action Pending	GSC	Assistant Director - Governance (GPM01)
	04-Jul-2018 Q1 – Action not yet due					

Operational objective 8.1.2 Youth Council maintained




RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Youth Council maintained	25%	31-Mar-2019	Action On Target	GSC	Assistant Director - Community Services & Safety (CSS01)
	05-Jul-2018 Q1 - New cohort of Youth Councillors elected and celebration event held to mark 10 year anniversary of the EFYC and youth voice in the district.					

Operational objective 8.1.3 Delegated authorities review within Constitution Working Group




RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Delegated authorities review within Constitution Working Group	25%	31-Mar-2019	Action On Target	GSC	Assistant Director - Governance (GPM01)
	04-Jul-2018 Q1 – The Constitution Working Group are reporting to full Council in July on proposals to amend officer delegation in respect of planning matters. This is anticipated to increase delegation in the range of 5-10%. If the Council approve the changes a full review of the implementation will be held in the 2019-20 municipal year. Further work on officer delegations is likely during Q2 and Q3					

 Performance indicator M8.1 Cabinet structure				
As a part of the proposed Electoral Review, a decision is required to instigate a review of the Cabinet structure.	Is year-end target likely to be achieved?		Live from	Scrutiny
	 Uncertain		2018	GSC
Manager	Good performance	Corporate or Partnership indicator		Annual trend
Assistant Director - Governance (GPM01)	Aim to Maximise	Corporate		
Trend chart	Comments			
This is a Yes / No indicator, i.e. it shows whether an event has taken place - Yes or No.	Corrective action			
	None currently - this is an event driven indicator due in 2019			




2018/19		
Target	Value	Status
Yes		

 Performance indicator M8.2 Council structure				
As a part of the proposed Electoral Review, a decision is required to instigate a review of the Council structure/the Council structure is to be reviewed.	Is year-end target likely to be achieved?		Live from	Scrutiny
	 Uncertain		2018	GSC
Manager	Good performance	Corporate or Partnership indicator		Annual trend
Assistant Director - Governance (GPM01)	Aim to Maximise	Corporate		
Trend chart	Comments			
This is a Yes / No indicator, i.e. it shows whether an event has taken place - Yes or No.	Corrective action			
	None currently - this is an event driven indicator due in 2019			

2018/19		
Target	Value	Status
Yes		

 <i>Performance indicator</i> M8.3 Number of governance meetings				
As a part of the proposed Electoral Review, a decision is required to instigate a review of the Council and Cabinet structures/the Council and Cabinet structures are to be reviewed.	<i>Is year-end target likely to be achieved?</i>		<i>Live from</i>	<i>Scrutiny</i>
	 Not applicable		2019	GSC
<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>		<i>Annual trend</i>
Assistant Director - Governance (GPM01)	Aim to Minimise	Corporate		
<i>Trend chart</i>	<i>Comments</i>			
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.	<i>Corrective action</i>			

			2018/19
	<i>Target</i>		<i>Value</i>
	61		
			<i>Status</i>

 <i>Performance indicator</i> M8.4 Cost of governance meetings				
As a part of the proposed Electoral Review, a decision is required to instigate a review of the Council and Cabinet structures/the Council and Cabinet structures are to be reviewed.	<i>Is year-end target likely to be achieved?</i>		<i>Live from</i>	<i>Scrutiny</i>
	 Not applicable		2019	GSC
<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>		<i>Annual trend</i>
Assistant Director - Governance (GPM01)	Aim to Minimise	Corporate		
<i>Trend chart</i>	<i>Comments</i>			
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.	<i>Corrective action</i>			

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>

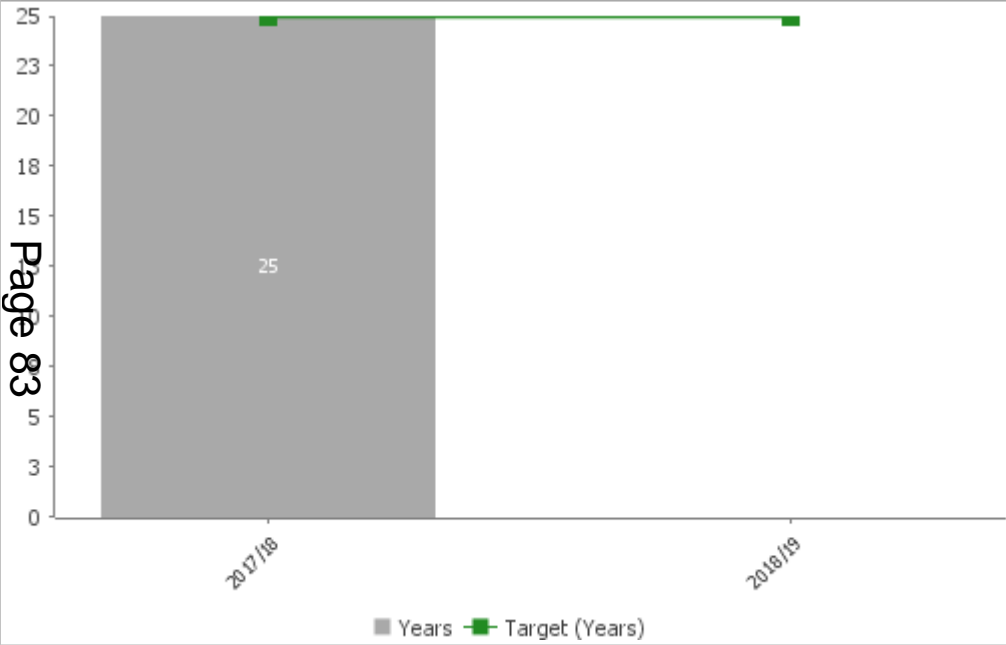
Performance indicator M8.5 Number of Youth Councillors elected

This indicator measures performance against the Council's objective to support young people to develop skills to maximise their employment potential.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
▶ Yes	2018	CSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Community Services & Safety (CSS01)	Aim to Maximise	Corporate	↑

Trend chart *Comments*



31-Aug-2018 Target Achieved

Corrective action

2018/19		
Target	Value	Status
25		



Performance indicator M8.6 Delegated authorities for officers

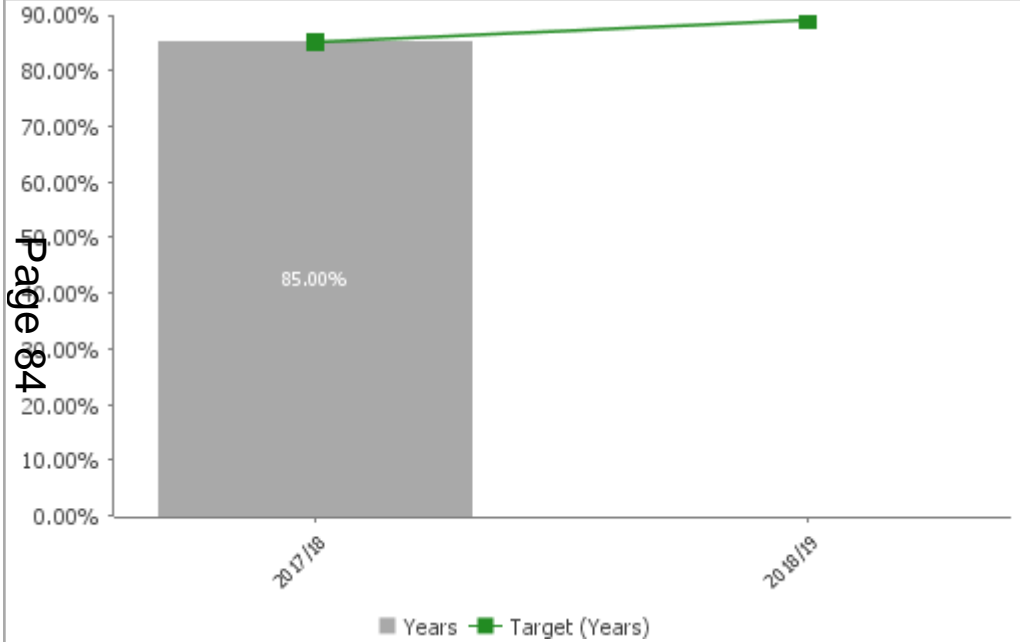
Delegated authorities are required to be reviewed by the Constitution Working Group. Planning delegations will be reviewed for 2018/19.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
Yes	2018	GSC

Manager
Assistant Director - Governance (GPM01)

<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Aim to Maximise	Corporate	

Trend chart



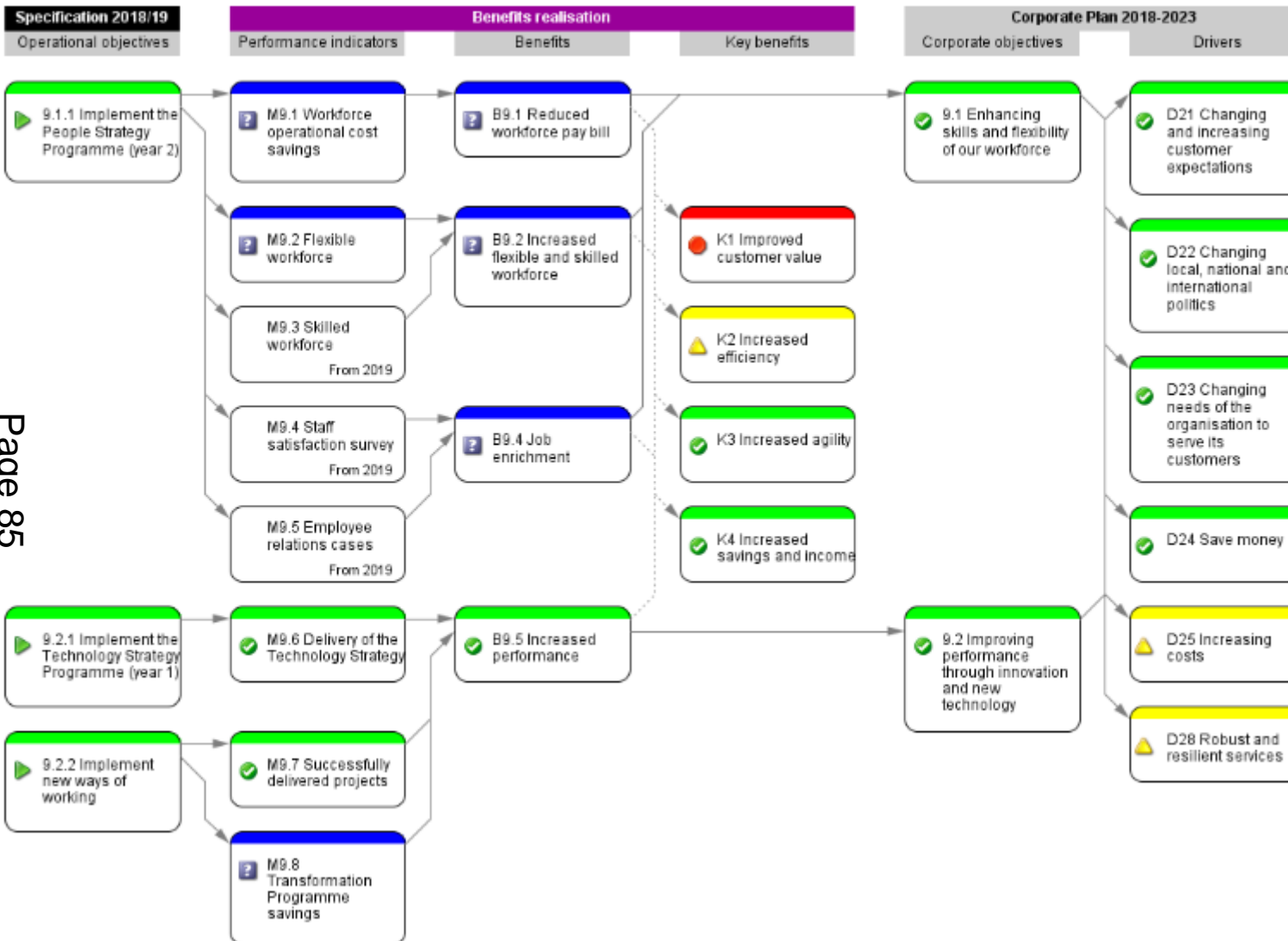
Comments
31-Aug-2018 Q1 – The Constitution Working Group are reporting to full Council in July on proposals to amend officer delegation in respect of planning matters. This is anticipated to increase delegation. If the Council approve the changes a full review of the implementation will be held in the 2019-20 municipal year. Further work on officer delegations is likely during Q2 and Q3

Corrective action

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>
89.25%		

▲ Aim 9 - A culture of innovation

Stronger council



Aim 9 A culture of innovation Stronger council

To enhance the skills and flexibility of our workforce, as well as improve performance through innovation and new technology.

Corporate objective 9.1 Enhancing skills and flexibility of our workforce

Our staff play an important role in customer satisfaction and successful delivery of services. We want to make sure that our workforce is developed and invested in to meet the changing needs of customers and to keep pace with technological advancements.

Operational objective 9.1.1 Implement the People Strategy Programme (year 2)

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Implement the People Strategy Programme (year 2)	25%	31-Mar-2019	Action Under Control	RSC	Assistant Director - Human Resources (RHR01)
06-Jul-2018 Q1 - A number of projects from year one have amended timelines which has impacted on the start of projects in year two. A revised Tranche Plan is being agreed and Pentana will be updated accordingly.						

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Projects & programmes P106 People Strategy Programme

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
▶	To develop the skills and attributes of the workforce to enable the Council to face the ongoing challenges and provide local services to the best of our abilities, involving the promotion of a dynamic and fluid workforce that is able to work collaboratively across boundaries and combining the ethos of public service with a commercial understanding.	55%	31-Mar-2020	Implement	RSC	Assistant Director - Human Resources (RHR01)

Corporate objective 9.2 Improving performance through innovation and new technology

Adapting the ways we work and looking to future opportunities will help us provide high levels of customer service, improve access to services and keep Council Tax low.

Operational objective 9.2.1 Implement the Technology Strategy Programme (year 1)

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Implement the Technology Strategy Programme (year 1)	38%	31-Mar-2019	Action On Target	RSC	Assistant Director - ICT & FM
06-Jul-2018 Q1 - overall projects are currently slightly ahead of schedule. However, any projects appertaining to the Civic Office building are on hold pending accommodation review progress.						

Projects & programmes P186 Technology Programme 2018-2023

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
▶	Technology Strategy Programme 2018 - 2023 NB % Completion for this project is based on the following: Total Projects completed as % of total scheduled/planned projects. As a result addition of new projects will result in % performance dropping.	24%	31-Mar-2023	Implement	RSC	ICT Program Manager

Operational objective 9.2.2 Implement new ways of working

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
▶	Implement new ways of working	25%	31-Mar-2019		O&S	Head of Transformation
01-Aug-2018 Action on target						
All 48 'as is' processes were mapped in Planning, plus two maps in Benefits. Work has started in Legal Services to map 56 existing processes. This work will be followed by the preparation of 'to be' process maps, before proceeding with prototyping and embedment. These processes were mapped through workshops with staff and include swim lanes and timings. Initial work has also commenced to map payroll processes. These maps are used to re-engineer processes across the customer service, business support and technical aspects of customer journeys, saving money and improving the customer experience.						

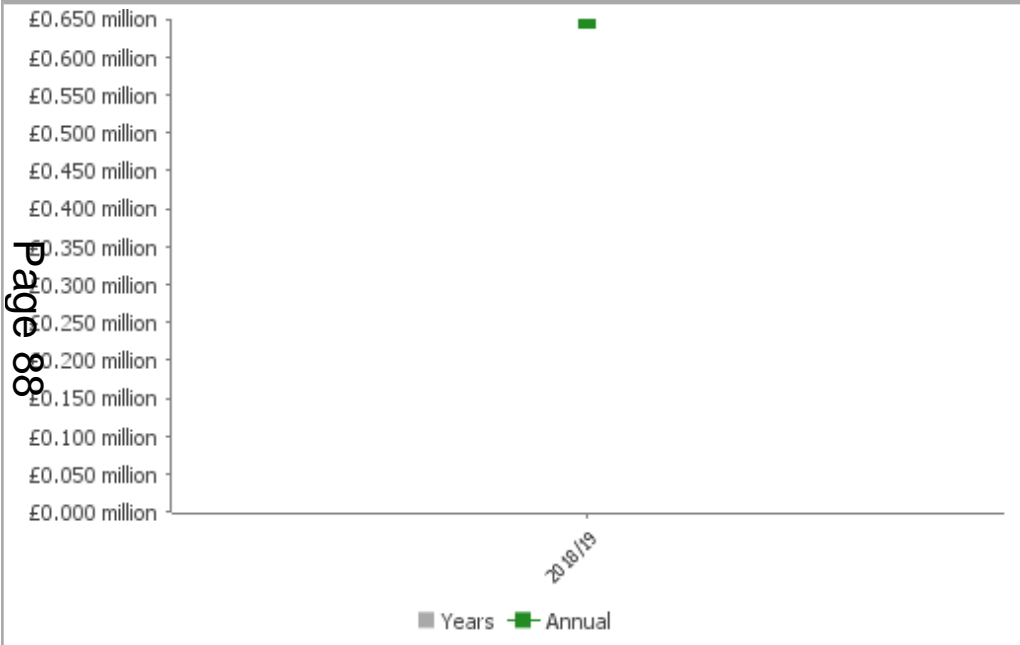
? Performance indicator **M9.1 Workforce operational cost savings**

This indicator is intended to measure the savings from the workforce pay bill.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
⚠️ Uncertain	2018	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Human Resources (RHR01)	Aim to Maximise	Corporate	?

<i>Trend chart</i>	<i>Comments</i>
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30-Aug-2018 Please note this is an annual indicator.

Corrective action

People Strategy Prog. Manager to realign the programme plan to realise the 2019 savings

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>
£0.650 million		

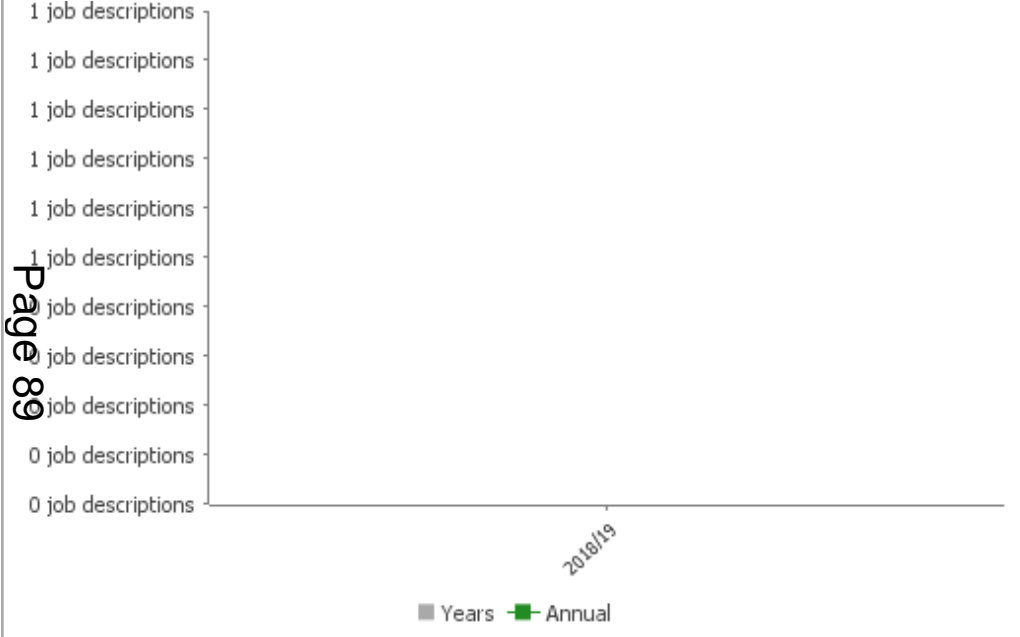
? Performance indicator **M9.2 Increased flexible workforce**

This indicator is a measure of the Job Descriptions in circulation by the organisation.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
⚠️ Uncertain	2018	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Human Resources (RHR01)	Aim to Minimise	Corporate	?




Trend chart *Comments*






Corrective action

Please note this is a yearly measure due in Q4 2018/19




2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>
18 job descriptions		

 Performance indicator M9.3 Increased skilled workforce			
The indicator is intended to measure the relevant skills of staff.	Is year-end target likely to be achieved?		Live from
	 Not applicable		2019
Manager	Good performance	Corporate or Partnership indicator	Annual trend
Assistant Director - Human Resources (RHR01)	Aim to Maximise	Corporate	
Trend chart	Comments		
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.			
	Corrective action		

2018/19		
Target	Value	Status

 Performance indicator M9.4 Staff satisfaction survey			
The indicator is intended to measure the satisfaction levels of staff.	Is year-end target likely to be achieved?	Live from	Scrutiny
	 Not applicable	2019	RSC
Manager	Good performance	Corporate or Partnership indicator	Annual trend
Assistant Director - Human Resources (RHR01)	Aim to Maximise	Corporate	
Trend chart	Comments		
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.			
	Corrective action		

2018/19		
Target	Value	Status

 Performance indicator M9.5 Employee relations cases				
This indicator is a measure of the number of Employee Relations cases across three distinct areas: (1) Sickness absence, (2) Conduct and (3) Disciplinary.	<i>Is year-end target likely to be achieved?</i>		<i>Live from</i>	<i>Scrutiny</i>
	 Not applicable		2019	RSC
<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>	
Assistant Director - Human Resources (RHR01)	Aim to Minimise	Corporate		
<i>Trend chart</i>	<i>Comments</i>			
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.	<i>Corrective action</i>			

2018/19		
Target	Value	Status

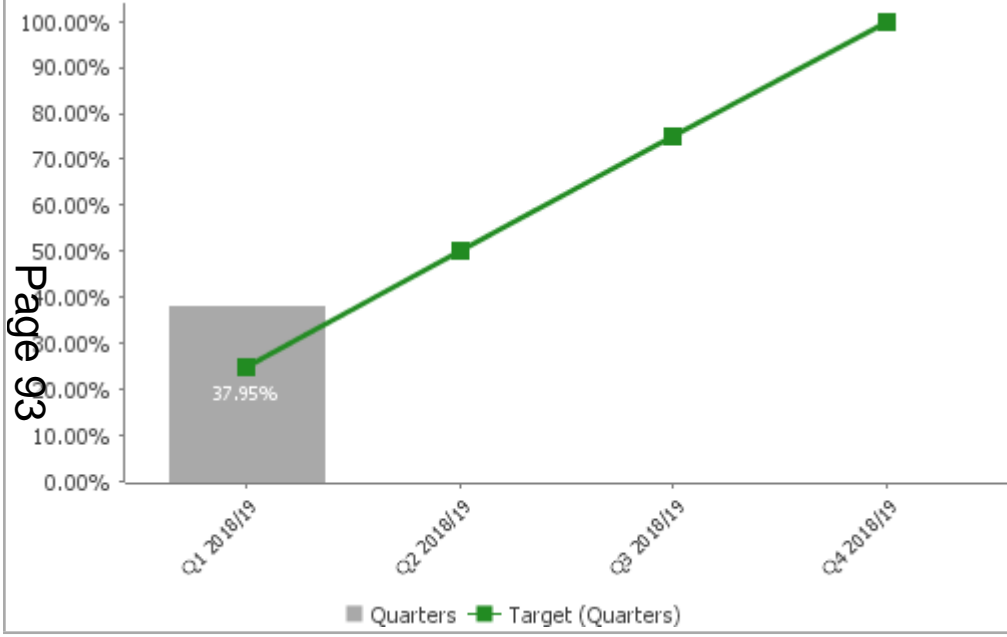
 **Performance indicator M9.6 Delivery of the Technology Strategy**

This indicator is a measure of the successful implementation of projects from the Technology Strategy Programme (year 1).

<i>Is year-end target likely to be achieved?</i>		<i>Live from</i>	<i>Scrutiny</i>
 Yes		2018	O&S
<i>Good performance</i>		<i>Corporate or Partnership indicator</i>	
Aim to Maximise		Corporate	


Manager
Assistant Director - ICT & FM

Trend chart



Comments
09-Jul-2018 166 Total Projects. 63 Completed. 103 Incomplete

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
25.00%	37.95%		50.00%			75.00%			100.00%		



Performance indicator M9.7 Successfully delivered projects

Through the Transformation Programme, the Council has recognised the importance of successfully managing and implementing change initiatives via projects.

Is year-end target likely to be achieved?

Uncertain

Live from

2018

Scrutiny

O&S

Manager

Head of Transformation

Good performance

Aim to Maximise

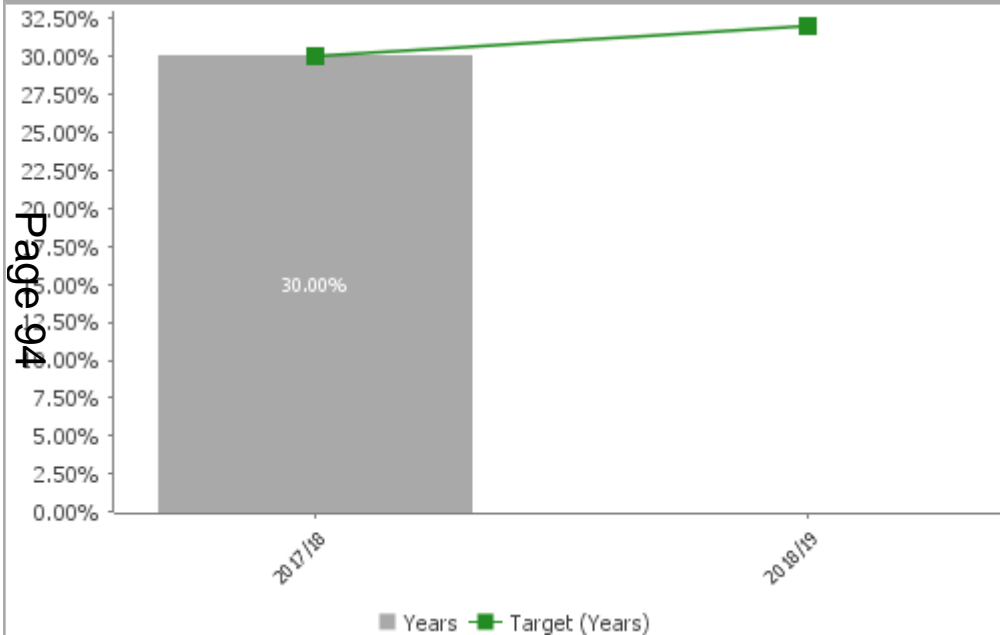
Corporate or Partnership indicator

Corporate

Annual trend



Trend chart



Comments

30-Aug-2018 Please note this is a yearly indicator and will be reported on in Q4 2018/19

Corrective action

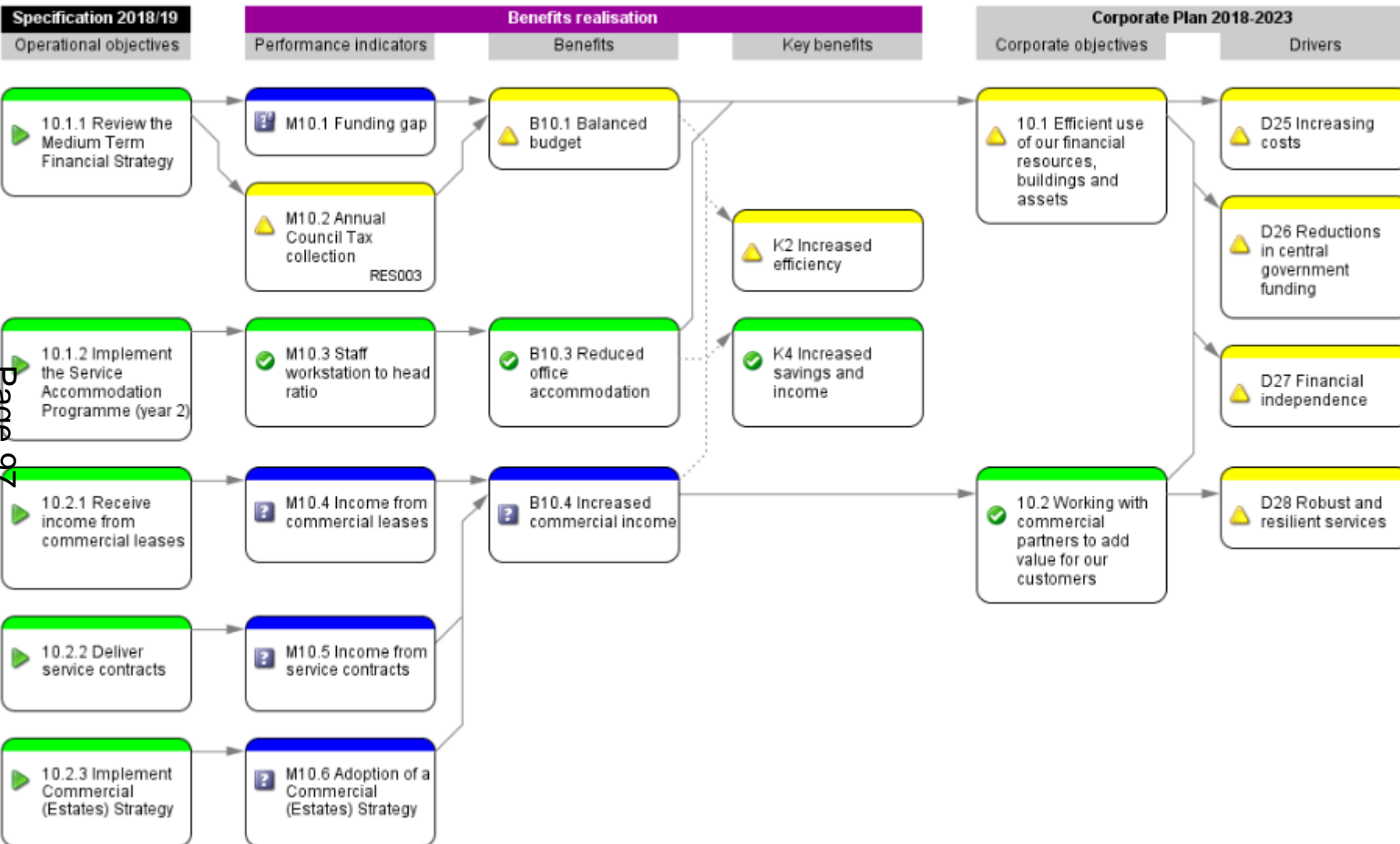
2018/19

Target	Value	Status
32.00%		

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Aim 10 - Financial independence with low Council Tax

Stronger council



**Aim 10 Financial independence with low Council Tax**

Stronger council

To make the most efficient use of our financial resources and assets, and work with our partners to provide valued services for our customers.

Corporate objective 10.1 Efficient use of our financial resources, buildings and assets

As central government funding continues to decrease, we need to find alternative ways to ensure our services perform at a high level. The Council seeks to be financially self-sufficient to continue to keep Council Tax low for our residents.

Operational objective 10.1.1 Review the Medium Term Financial Strategy


RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Review the Medium Term Financial Strategy	25%	31-Mar-2019	Action On Target	RSC	Director of Resources (RDR01)
06-Jul-2018 Q1 - The Medium Term Financial Strategy will be updated for Finance Cabinet on 26th July.						

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Operational objective 10.1.2 Implement the Service Accommodation Programme (year 2)

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Implement the Service Accommodation Programme (year 2)	20%	31-Mar-2019	Action Behind Schedule	O&S	Head of Transformation
01-Aug-2018 Action under control.						
Overall the programme is progressing well. Our voluntary sector partner has decanted from Homefield House to Hemnall Street. Work is on target to relocate Housing Repairs and Housing Assets to the Oakwood Hill Depot in 2019. Work on the staff transport plan is progressing, with a 70% response to the staff survey. The Community Safety Hub has been refurbished in line with Corporate design standards to deadline, and has received positive feedback from staff and partners. Work on the service accommodation project is ongoing but the deadline may need to be extended due to negotiations with Historic England. A progress report was considered by Cabinet on 14 June 2018.						


Projects & programmes **P160 Service Accommodation Programme**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To accommodate the majority of the Council's staff within a rationalised footprint of the Civic Offices building in Epping, involving the implementation of a 7:10 desk to staff ratio, agile working practices, and the vacation of the Condor Building and Homefield House.	28%	31-Mar-2023	Implement	RSC	Head of Transformation
<p>29-Aug-2018 Action under control. Overall the programme is progressing well. Our voluntary sector partner has decanted from Homefield House to Hemnall Street. Work is on target to relocate Housing Repairs and Housing Assets to the Oakwood Hill Depot in 2019. Work on the staff transport plan is progressing, with a 70% response to the staff survey. The Community Safety Hub has been refurbished in line with Corporate design standards to deadline, and has received positive feedback from staff and partners. Work on the service accommodation project is ongoing but the deadline may need to be extended due to negotiations with Historic England. A progress report was considered by Cabinet on 14 June 2018.</p>						


Corporate objective 10.2 Working with commercial partners to add value for our customers

	Partnership working is increasingly valued by customers. With the pressures on public services to reduce costs yet also provide the required services, it is paramount that we join up with our partners to develop creative solutions to the problems faced by our customers.
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Operational objective 10.2.1 Receive income from commercial leases

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Receive income from commercial contracts	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive
<p>06-Jul-2018 Q1 – The Epping Forest Shopping Park is now fully let and providing rental income in accordance with original Development Appraisal. Tenants have been secured for the retail units at the Landmark Building.</p>						

Operational objective 10.2.2 Deliver service contracts

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Deliver service contracts	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive
<p>06-Jul-2018 Q1 – The Council's three main service contracts in relation to Leisure Management, Waste and Recycling/Street Cleansing and Off-Street Car Parking are performing in accordance with the service, quality, cost, and performance requirements of their contracts. A variation has been agreed to reflect changes to the Chinese Government's Import of Recyclable requirements with Biffa Municipal.</p>						

Operational objective **10.2.3 Adopt Commercial (Estates) Strategy**

<i>RAG</i>	<i>Description</i>	<i>Progress</i>	<i>Due date</i>	<i>Expected outcome</i>	<i>Scrutiny</i>	<i>Manager</i>
	Adopt Commercial (Estates) Strategy	25%	31-Mar-2019	Action On Target	NSC	Acting Chief Executive
	06-Jul-2018 Q1 - The Council's Estates Service are taking a more proactive approach to the management of the Council's commercial Estate, seeking to identify opportunities to maximise benefit to the Council.					

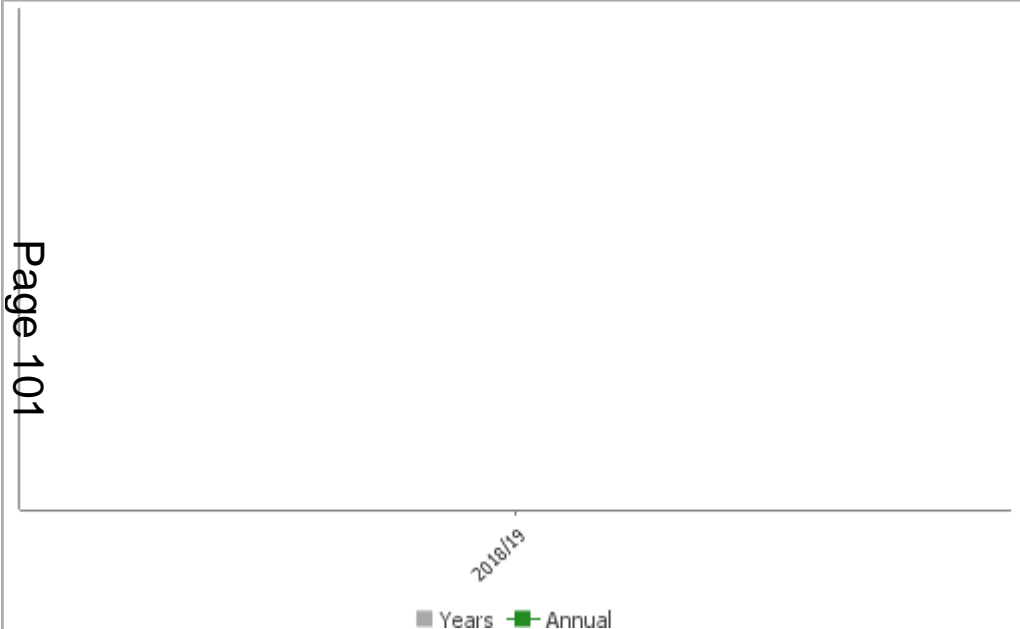
? Performance indicator **M10.1 Funding gap**

This indicator is intended to measure the savings on the Continuing Services Budget (CSB) actually achieved against those within the Medium Term Financial Strategy (MTFS) (General Fund only).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
Uncertain	2018	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Accountancy (RAC01)	Aim to Minimise	Corporate	

<i>Trend chart</i>	<i>Comments</i>
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Corrective action

Please note this is an annual measure

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>
£		

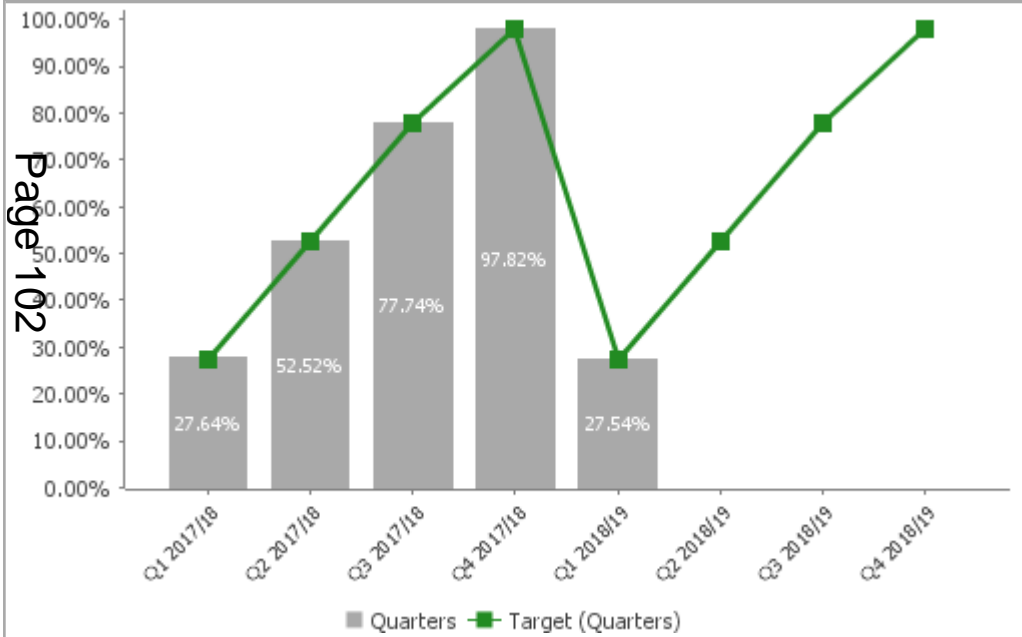
Performance indicator M10.2 Annual Council Tax collection

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 (Previously RES003).

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
▶ Yes	2012	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Revenues (RRE01)	Aim to Maximise	Corporate	↓

Trend chart



Comments

03-Jul-2018 The performance is at or around the target
 05-Apr-2018 The in-year collection rate target was achieved with 97.82%.

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
27.55%	27.54%	▲	52.54%			77.84%			97.80%		

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Performance indicator M10.3 Staff desks to head ratio

The indicator is intended to measure the ratio of staff workstations (desks) within service accommodation to the staff head count.

Is year-end target likely to be achieved?

Not applicable

Live from

2018

Scrutiny

RSC

Manager

Head of Transformation

Good performance

Aim to Minimise

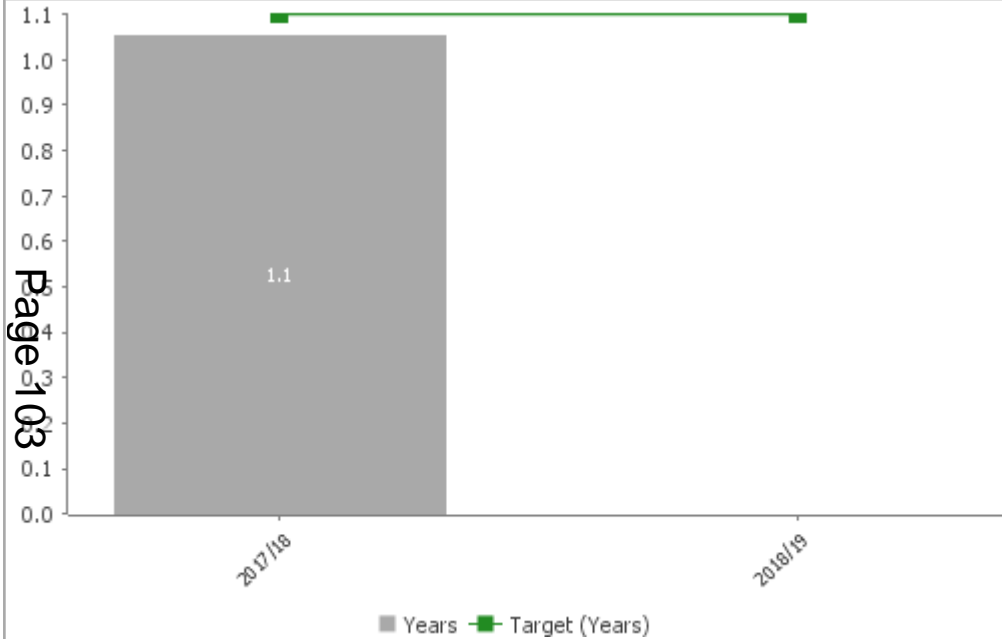
Corporate or Partnership indicator

Corporate

Annual trend



Trend chart



Comments

Corrective action

Measure due in Q4 2019

2018/19		
Target	Value	Status
1.1		

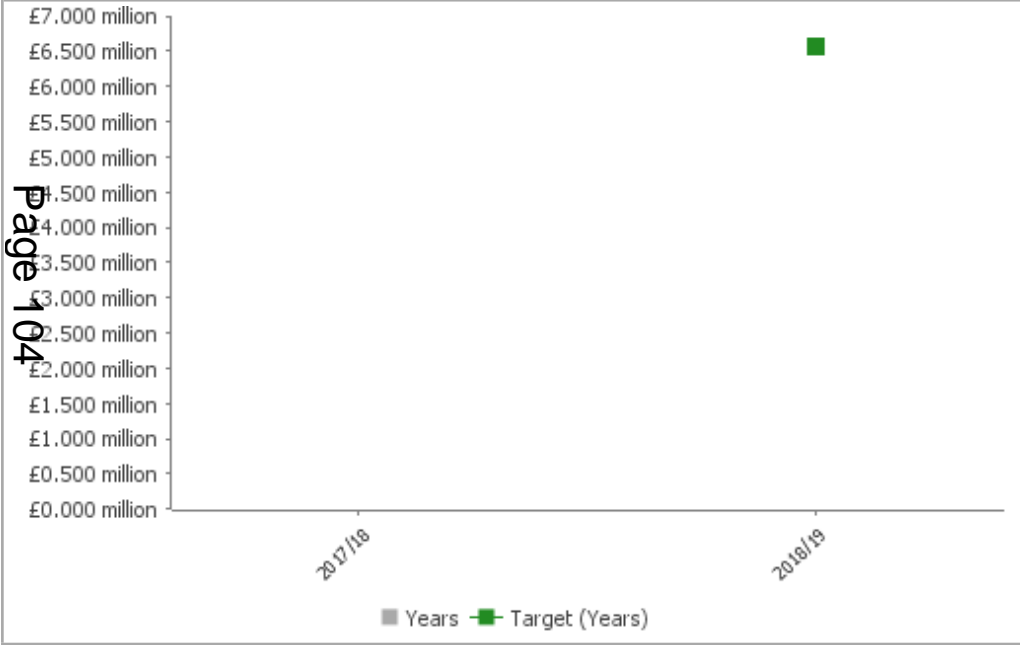
? Performance indicator **M10.4 Income from commercial leases**

This indicator is intended to measure the incremental increases in income from existing and new commercial leases that the Council holds. This rolls up to the working with commercial partners to add value for our customers.

<i>Is year-end target likely to be achieved?</i>	<i>Live from</i>	<i>Scrutiny</i>
⚠ Uncertain	2018	RSC

<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>	<i>Annual trend</i>
Assistant Director - Accountancy (RAC01)	Aim to Maximise	Corporate	?

<i>Trend chart</i>	<i>Comments</i>
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Comments

Corrective action

Please note this is an annual measure

2018/19		
Target	Value	Status
£6.560 million		

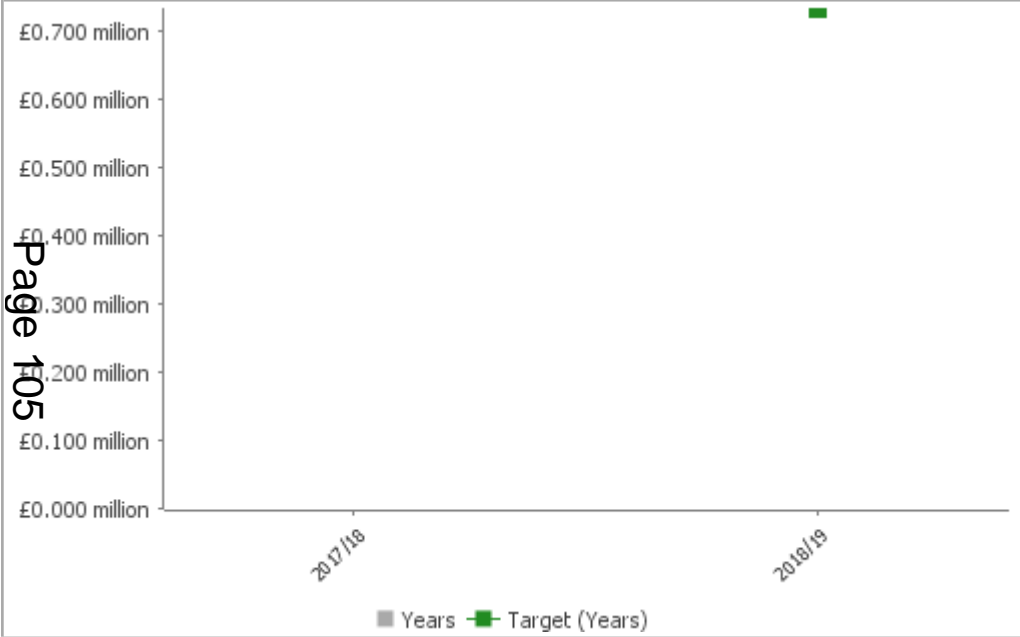
? Performance indicator **M10.5 Income from service contracts**

This indicator is intended to measure the incremental increases in income from the service contracts that the Council holds. This rolls up to the working with commercial partners to add value for our customers.

Is year-end target likely to be achieved?	Live from	Scrutiny
⚠️ Uncertain	2018	RSC

Manager	Good performance	Corporate or Partnership indicator	Annual trend
Assistant Director - Accountancy (RAC01)	Aim to Maximise	Corporate	?


Trend chart *Comments*



Corrective action

Please note this is an annual measure

2018/19		
Target	Value	Status
£0.734 million		

 <i>Performance indicator</i> M10.6 Adoption of a Commercial (Estates) Strategy				
This indicator aims to ensure that a new Commercial (Estates) Strategy is adopted by the Council.	<i>Is year-end target likely to be achieved?</i>		<i>Live from</i>	<i>Scrutiny</i>
	 Uncertain		2018	NSC
<i>Manager</i>	<i>Good performance</i>	<i>Corporate or Partnership indicator</i>		<i>Annual trend</i>
Chief Estates Officer (NEV01)	Aim to Maximise	Corporate		
<i>Trend chart</i>	<i>Comments</i>			
This is a Yes / No indicator, i.e. it shows whether an event has taken place - Yes or No.	<i>Corrective action</i>			
	Please note this is an annual measure			

2018/19		
<i>Target</i>	<i>Value</i>	<i>Status</i>
Yes		

Report to the Finance & Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-010-2018/19
Date of meeting: 13 September 2018

Portfolio: Leader of the Council.

Subject: Transformation Programme – Project Dossier.

Responsible Officer: David Bailey (01992 564105).

Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

That, as attached at Appendix 1, the updated Project Dossier for the Transformation Programme be reviewed and noted.

Executive Summary:

The Project Dossier, attached at Appendix 1 of this report, updates the Cabinet Committee on the progress made by all active High and Medium complexity programmes and projects within the Transformation Programme, including the current project lifecycle stage, the current project status, and the level of completion of the project (expressed as a percentage). A programme is a collection of related projects which deliver outcomes and benefits directly connected to a strategic objective.

Reasons for Proposed Decision:

To update the Cabinet Committee on the progress made by all of the High and Medium complexity programmes and projects within the Transformation Programme, as contained within the attached Project Dossier.

Other Options for Action:

None, as this is an update report.

Report:

Introduction

1. The Corporate Plan provides a framework to demonstrate how the work of the Council fits together at a strategic level. It provides a focus to establish a set of corporate priorities, describing how the organisation will deliver positive change.
2. An annual Corporate Specification details how the Corporate Plan will be delivered through a set of operational objectives for that year. Operational objectives can concern Business As Usual (BAU) or business transformation.
3. Business transformation is delivered through change projects and programmes. A project is a temporary activity to create something unique – a thing, a service or a product – that:

- leads to change;
- has a defined start and end;
- has limited resources;
- has specific objectives; and
- enables benefits to be realised.

4. Here is a simple example which illustrates the difference between Business As Usual and business transformation.

- ⇒ If you build a car in your garage – it’s a project.
- ⇒ Whereas if you are a car manufacturer, building hundreds of cars a day, it’s a production line and simply business as usual, i.e. it isn’t unique.
- ⇒ However, parts of a larger process can be considered projects, e.g. designing the car. So by their very nature, the delivery of any change involves project management.

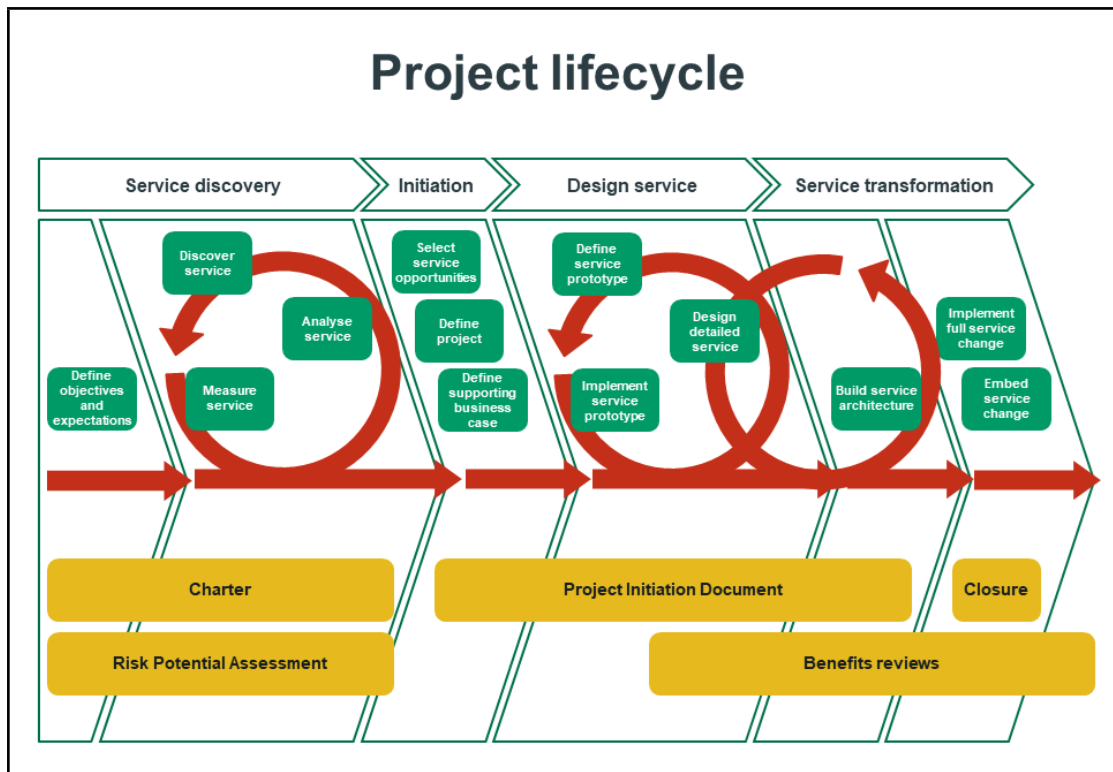
5. The Council established its Transformation Programme in early 2016, grouping change projects from the Corporate Plan into four workstreams:

- Customer Experience;
- Business Culture;
- Resources, Accommodation and Technology; and
- Major Projects.

6. A corporate methodology for managing projects was established in June 2016. All projects are registered with the Programme Management Office (PMO), overseen by the Head of Transformation. Projects are managed differently, depending on an assessment of their scale or complexity. This assessment is completed using the Risk Potential Assessment tool (RPA).

<i>RPA</i>	<i>Qualities</i>	<i>Project management</i>	<i>Processes</i>	<i>PMO support</i>
High	Transformative project – requires authority wide co-ordination	Overseen by the Transformation Programme Board	Charter, initiation document and evaluation are required and approved by TPB. Other documents may be required	PMO actively engaged in supporting the project
Medium	Project management best practice	Managed within a single directorate	Charter, PID and evaluation are required and logged with PMO	Support provided by PMO
Low	Minimal need for project management	Managed within a single service area	Charter, PID and evaluation are encouraged	Support available from PMO on request

7. High and Medium complexity projects follow a project life cycle (see diagram below).



Project Dossier

8. The Cabinet Committee is asked to consider and review the list of active High and Medium complexity projects, known formally as the Project Dossier, which is given in the Appendix. The information, structured by Workstream, includes:

- Workstream;
- Project reference number and title;
- Current project lifecycle stage, i.e.:
 - Discovery (chartered),
 - Initiation (Project Initiation Document, PID / Programme Definition Document, PDD),
 - Prototype (design service),
 - Implementation (transformation),
 - Closure;
- Risk Potential Assessment (RPA), i.e.:
 - Medium or
 - High complexity;
- Start and due dates;
- RAG = Current project status as Red, Amber, Green (RAG);
- Select Committee for scrutiny, i.e.:
 - O&S – Overview & Scrutiny,
 - CSC – Communities,
 - GSC – Governance,
 - NSC – Neighbourhoods,
 - RSC – Resources,
- Level of completion (as percentage);
- Project Manager; and
- Any notes on progress.

Resource Implications:

There are no resource implications arising from this report.

Legal and Governance Implications:

There are no legal & governance implications arising from this report.

Safer, Cleaner and Greener Implications:

There are no Safer, Cleaner and Greener implications arising from this report.

Consultation Undertaken:

No formal consultation was undertaken in the preparation of this report.

Background Papers:

Previous regular Transformation Programme Highlight Reports to the Cabinet.

Risk Management:

There are no Risk Management implications arising from this report.

Equality:

There are no Equality Impact implications arising from this report.

Equality Impact Assessment

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

Section 1: Identifying details

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

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

Title of policy or decision: Transformation Programme – Project Dossier.

Officer completing the EqIA: David Bailey, Head of Transformation Tel: 01992 564105
Email: dbailey@eppingforestdc.gov.uk

Date of completing the assessment: Friday 31 August 2018

Section 2: Policy to be analysed

2.1	<p>Is this a new policy (or decision) or a change to an existing policy, practice or project?</p> <p>N/A – report is a monthly update to Cabinet Committee on the progress of projects and programmes.</p>
2.2	<p>Describe the main aims, objectives and purpose of the policy (or decision):</p> <p>Intended objective is for Cabinet Committee to note the progress of Projects and Programmes.</p> <p>What outcome(s) are you hoping to achieve (ie decommissioning or commissioning a service)?</p> <p>N/A – report is for noting to Cabinet Committee only.</p>
2.3	<p>Does or will the policy or decision affect:</p> <ul style="list-style-type: none">• service users• employees• the wider community or groups of people, particularly where there are areas of known inequalities? <p>This report is not in itself a vehicle for decision making. Its approach is to articulate the Council's project performance in a coherent document. Where individual projects require decisions, these are the subject of individual reports, each accompanied by its own Equality Impact Assessment.</p> <p>Will the policy or decision influence how organisations operate?</p> <p>N/A - report is not decision based and is for noting only.</p>
2.4	<p>Will the policy or decision involve substantial changes in resources?</p> <p>No. Decisions on resources to deliver the Transformation Programme are taken</p>

	through the annual budget approval process, through Portfolio Holder decision or Cabinet decision.
2.5	<p>Is this policy or decision associated with any of the Council's other policies and how, if applicable, does the proposed policy support corporate outcomes?</p> <p>The Transformation Programme is the Council's approach to change management and supports the delivery of the Corporate Plan 2018-2023.</p>

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

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

3.1	<p>What does the information tell you about those groups identified?</p> <p>N/A – report is for noting only. Any equalities impact assessment for individual projects or programmes is detailed on the respective reports.</p>
3.2	<p>Have you consulted or involved those groups that are likely to be affected by the policy or decision you want to implement? If so, what were their views and how have their views influenced your decision?</p> <p>N/A – see above.</p>
3.3	<p>If you have not consulted or engaged with communities that are likely to be affected by the policy or decision, give details about when you intend to carry out consultation or provide reasons for why you feel this is not necessary:</p> <p>N/A – see above.</p>

Section 4: Impact of policy or decision

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

Description of impact	Nature of impact Positive, neutral, adverse (explain why)	Extent of impact Low, medium, high (use L, M or H)
Age	N/A	N/A
Disability	N/A	N/A
Gender	N/A	N/A
Gender reassignment	N/A	N/A
Marriage/civil partnership	N/A	N/A
Pregnancy/maternity	N/A	N/A
Race	N/A	N/A
Religion/belief	N/A	N/A
Sexual orientation	N/A	N/A
Poverty	N/A	N/A
Crime and safety	N/A	N/A
Recycling	N/A	N/A
Healthy lifestyles	N/A	N/A
Physical and mental health	N/A	N/A
Housing	N/A	N/A
Education	N/A	N/A
Employment	N/A	N/A
Transport	N/A	N/A

Section 5: Conclusion

		Tick Yes/No as appropriate	
5.1	Does the EqIA in Section 4 indicate that the policy or decision would have a medium or high adverse impact on one or more equality groups?	No <input checked="" type="checkbox"/>	Monitoring of the Transformation Programme of and in itself does not make any decisions. Any decisions on policy changes indicated by the reports would be subject to a decision report as appropriate and contain an individual Equality Impact Assessment.
		Yes <input type="checkbox"/>	If 'YES', use the action plan at Section 6 to describe the adverse impacts and what mitigating actions you could put in place.

Section 6: Action plan to address and monitor adverse impacts

What are the potential adverse impacts?	What are the mitigating actions?	Date they will be achieved.
This report is for progress reporting. There are no policy decisions contained in this report.	Any decision regarding a policy change would require its own report and be accompanied by a detailed Equality Impact Assessment as appropriate.	As and when any decision is brought forward.

Section 7: Sign off

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

Signature of Head of Service: David Bailey

Date: 31 August 2018

Signature of person completing the EqIA: David Bailey

Date: 31 August 2018

Advice

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

Appendix - Project Dossier for FPMCC

Key:

Current project lifecycle stage, i.e. Discovery (chartered), Initiation (Project Initiation Document, PID / Programme Definition Document, PDD), Prototype (design service), Implementation (transformation), Closure.

Risk Potential Assessment (RPA), i.e. Medium or High complexity.

RAG = Current project status as Red, Amber, Green (RAG).

Select Committee for scrutiny, i.e. O&S – Overview & Scrutiny, CSC – Communities, GSC – Governance, NSC – Neighbourhoods, RSC – Resources.

Generated on: 31 August 2018

Workstream 1 Customer Experience

Code & Title	Stage	RPA	Start date	Due date	RAG	Progress	Scrutiny	Manager	Latest note
P001 Customer Service Programme	Implement	High	01-Apr-2016	31-Mar-2019		50%	O&S	Head of Customer Service (XEX04)	
P145 Customer Reception	Prototype	High	01-Apr-2016	31-Mar-2019		5%	O&S	Head of Customer Service (XEX04)	
P146 Corporate Customer Team	Prototype	High	01-May-2016	31-Mar-2019		75%	O&S	Head of Customer Service (XEX04)	
P147 Systems and Digital Development	Prototype	High	01-Jun-2016	31-Mar-2019		72%	O&S	Assistant Director - Revenues (RRE01) .	
P004a Corporate Communications - External	Hold	High	01-Jun-2016	31-Dec-2018		63%	GSC	PR & Marketing Officer (GPR01)	
P175 Behavioural Insight	Initiation		01-Nov-2017	30-Sep-2018		13%	CSC	Asst. Director; Private Housing & Communities Support	Project manager was due to update Management Board in July. Update was not received and project plan and Risk Potential Assessment remain incomplete. The Select Committee may wish to

Code & Title	Stage	RPA	Start date	Due date	RAG	Progress	Scrutiny	Manager	Latest note
									invite the Project Manager to provide the committee with an update on progress to ensure its completion by the due date.
P151 Homeless Pods	Initiation	High	14-Feb-2018	31-Jul-2019		27%	CSC	Senior Project Manager (Housing)	




Workstream 2 Business Culture

Code & Title	Stage	RPA	Start date	Due date	RAG	Progress	Scrutiny	Manager	Latest note
P008 Museum Development Trust	Implement	High	26-Feb-2016	31-Oct-2018		98%	CSC	Assistant Director - Community Services & Safety (CSS01)	
P006 People Strategy Programme	Implement	High	04-Mar-2016	31-Mar-2020		55%	RSC	Assistant Director - Human Resources (RHR01)	Action plan currently being reviewed.
P170 Establish a Common Operating Model	Prototype	High	03-Jul-2017	31-Mar-2019		100%	RSC	Assistant Director - Human Resources (RHR01)	
P171 Corporate Business Support Team Review	Implement	High	30-Aug-2017	31-Mar-2019		64%	RSC	Business Support Manager	
P172 Corporate ICT Team Review	Initiation	High	01-Aug-2017	31-Oct-2018		50%	RSC	Assistant Director - ICT & FM	Discovery stage extended to end of October 2018 to allow presentation of findings to the new Strategic Director.
P107 Estates Service Review	Implement	Medium	05-Apr-2015	31-Jul-2018		100%	NSC	Chief Estates Officer (NEV01)	Progress report requested from project manager.
P124 Corporate and Business Planning	Implement	High	01-May-2016	31-Dec-2018		95%	O&S	Head of Transformation	





Code & Title	Stage	RPA	Start date	Due date	RAG	Progress	Scrutiny	Manager	Latest note
P019 BC/DC Quality Improvement and File Scanning	Implement	Medium	01-Jan-2016	31-Mar-2019		67%	GSC	Service Business Manager (GAD01)	
P176 Pay and Benefits Review	Initiation	High	07-Feb-2018	31-Oct-2019		16%	RSC	Assistant Director - Human Resources (RHR01)	Action plan reviews and timeline extended by four months by Transformation Programme Board.
P177 Recruitment and Retention Review	Implement	High	07-Feb-2018	31-Aug-2018		93%	RSC	Human Resources Manager (RHR03)	Programme Board have asked project manager to review / extend project timeline.
P178 Mandatory Leadership and Management Development	Initiation	High	07-Feb-2018	31-Mar-2020		23%	RSC	Learning & Development Manager (RHR02)	
P179 Developing a Skilled Workforce	Initiation	High	07-Feb-2018	31-Mar-2020		30%	RSC	Learning & Development Manager (RHR02)	


Workstream 3 Resources, Accommodation and Technology

Code & Title	Stage	RPA	Start date	Due date	RAG	Progress	Scrutiny	Manager	Latest note
P014 HR Payroll IT System	Implement	High	04-Mar-2016	29-Jun-2018		94%	RSC	Human Resources Manager (RHR03)	Action plan currently being reviewed / extended.
P133 Scanning Residual Hard Copy Records - Communities Directorate	Implement	High	01-Aug-2016	31-Jul-2018		100%	CSC	Asst. Director; Private Housing & Communities Support	No update has been received from the project manager since May 2018. Timeline needs updating as project is not 100% complete.
P160 Service Accommodation	Implement	High	22-Feb-2016	31-Mar-2023		75%	RSC	Head of Transformation	Action under control. Our voluntary sector partner has

Code & Title	Stage	RPA	Start date	Due date	RAG	Progress	Scrutiny	Manager	Latest note
Programme									decanted from Homefield House to Hemnall Street. The Community Safety Hub has been refurbished in line with Corporate design standards to deadline, and has received positive feedback from staff and partners.
P002 Service Accommodation Review	Implement	High	22-Feb-2016	31-Dec-2018		84%	RSC	Head of Transformation	Work on the service accommodation project is ongoing but the deadline may need to be extended due to negotiations with Historic England. A progress report was considered by Cabinet on 14 June 2018.
P050 Relocation of Housing Repairs and Housing Assets	Initiation	High	03-Apr-2017	29-Apr-2019		23%	CSC	Senior Project Manager (Housing) .	Work is on target to relocate Housing Repairs and Housing Assets to the Oakwood Hill Depot in 2019.
P161 Civic Office Refurbishment	Hold	High		31-Mar-2023		0%	RSC	Head of Transformation	
P162 Staff Transport Plan	Initiation	High	04-Oct-2017	31-Mar-2023		18%	NSC	Assistant Director - Technical (NTS01)	Work on the staff transport plan is progressing, with a 70% response to the staff survey.
P166 Relocate Pyrles Lane Nursery	Implement	High	11-May-2017	30-Jan-2019		70%	NSC	Assistant Director - Technical (NTS01) .	
P165 Major Tree Works Procurement	Implement	High	24-Jul-2017	01-Aug-2018		98%	NSC	Assistant Director - Technical (NTS01)	

Workstream 4 Major Projects

Code & Title	Stage	RPA	Start date	Due date	RAG	Progress	Scrutiny	Manager	Latest note
P114 St John's Road Development	Implement	High	20-May-2015	31-Mar-2018		92%	NSC	Acting Chief Executive	Project manager to provided update on final actions.
P115 Local Plan Programme	Implement	High	17-May-2016	01-Apr-2019		41%	NSC	Interim Assistant Director (NFP502) .	Q1 – The Local Plan has been delayed following a Planning Court ruling on 20 March 2018 when Mrs Justice Lang in granting leave for a full hearing ordered that the Council be restrained from submitting the LPSV for independent examination until the final determination of the judicial review claim, or further order. The judicial review hearings were held on 23 and 24 May 2018. In the judgement given by Mr Justice Supperstone on 29 June 2018, the High Court dismissed the legal challenge to the Local Plan paving the way for the Council to submit the Plan to the Secretary of State for Independent Examination.
P135 New Leisure Management Contract Programme	Implement	High	20-May-2015	31-Mar-2023		24%	NSC	Leisure Management Contract Manager	
P021 Repairs and Maintenance Hub	Hold	High	20-May-2015	28-Feb-2017		100%	CSC	Assistant Director - Housing Property	Preparatory work complete. This is now on hold pending

<i>Code & Title</i>	<i>Stage</i>	<i>RPA</i>	<i>Start date</i>	<i>Due date</i>	<i>RAG</i>	<i>Progress</i>	<i>Scrutiny</i>	<i>Manager</i>	<i>Latest note</i>
								(CPY01)	the progress of P150 - Relocation of Repairs Service to Oakwood Hill Depot.
P182 Oakwood Hill Footpaths	Discovery	Medium	12-Mar-2018	28-Sep-2018		71%	CSC	Senior Project Manager (Housing)	

Report to the Finance Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-011-2018/19

**Date of meeting: 13 September
2018**

Portfolio: Finance

Subject: Risk Management – Corporate Risk Register

Responsible Officer: Edward Higgins (01992 564606).

Democratic Services: Rebecca Perrin (01992 564532).

Recommendations/Decisions Required:

- (1) To agree the updated Risk Vulnerability and Trigger for Risk 1;**
- (2) To agree the updated Effectiveness of Controls/Actions for Risk 2;**
- (3) To agree removal of Risk 8 from the Corporate Risk Register;**
- (4) To agree the updated Required Further Management Action for Risk 9;**
- (5) To consider whether there are any new risks that are not on the current Corporate Risk Register; and**
- (6) To agree that the amended Corporate Risk Register be recommended to Cabinet for approval**

Executive Summary:

The Corporate Risk Register was considered by the Risk Management Group on 13 August 2018 and Management Board on 15 August 2018. The reviews identified updates for the current risks and removal of one risk.

Reasons for Proposed Decision:

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

Other Options for Action:

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

Report:

1. The Corporate Risk Register was reviewed by the Risk Management Group on 13 August 2018 and by Management Board on 15 August 2018. Amendments have been identified and incorporated into the register (Appendix 1).
2. Risk 1 Local Plan – The Risk Vulnerability has been updated to advise the Local Plan

submission deadline of the 24 January 2019. Failure to submit the Local Plan to the Secretary of State for Independent Examination will result in the Council having to use the standard methodology for the assessment of housing need. The risk Trigger has also been updated to advise that the Council is awaiting the decision on an application from the claimants to the Court of Appeal to seek leave to appeal the High Court decision which dismissed the claim for judicial review. This is holding up the submission of the Local Plan Submission Version (LPSV) for independent examination.

3. Risk 2 Strategic Sites – The Effectiveness of Controls/Actions has been updated. Epping Forest Shopping Park has been removed from the list of strategic sites, as letting of all units nears completion. The site is now operational.
4. Risk 8 Partnerships - The risk which was scored C3 (Medium Likelihood/Minor Impact) has been removed from the Corporate Risk Register. Both the Risk Management Group and Management Board believe that the risk can now be managed at Directorate level. The Risk is attached as Appendix 2 for information.
5. Risk 9 Safeguarding – The Required Further Management Action has been updated to advise the Safeguarding Strategy and Action Plan is to be reviewed during 2018/19.
6. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Resource Implications:

No additional Resource requirements

Legal and Governance Implications:

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

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

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

Background Papers:

None

Risk Management:

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

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an appendix to the report.

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Equality Impact Assessment

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

Section 1: Identifying details

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

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

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

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

Date of completing the assessment: 29/08/2018

Section 2: Policy to be analysed

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

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

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

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

Section 4: Impact of policy or decision

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

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

Section 5: Conclusion

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

Section 6: Action plan to address and monitor adverse impacts

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

Section 7: Sign off

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

Signature of Head of Service:

Date:

Signature of person completing the EqIA:

Date:

Advice

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

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Epping Forest District Council Corporate Risk Register

Date: 13 September 2018

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1. Introduction

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

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

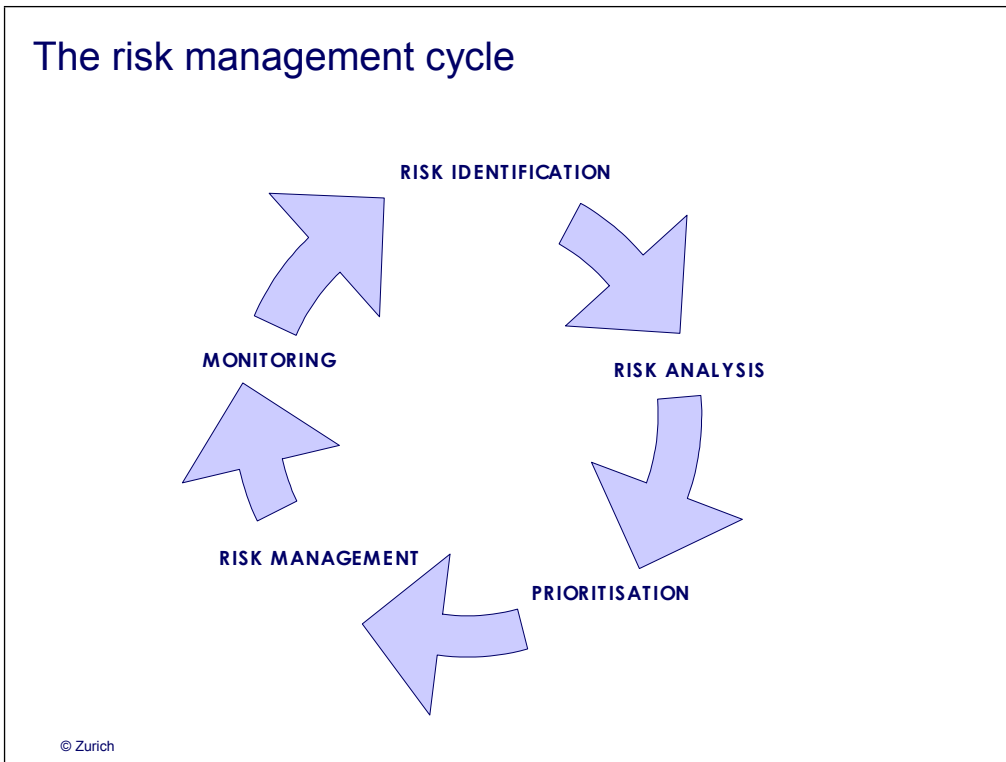
In total 8 strategic risks were profiled at the workshop and during the workshop, each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. The risk matrix measured each risk for its likelihood and its impact in terms of its potential for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

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

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

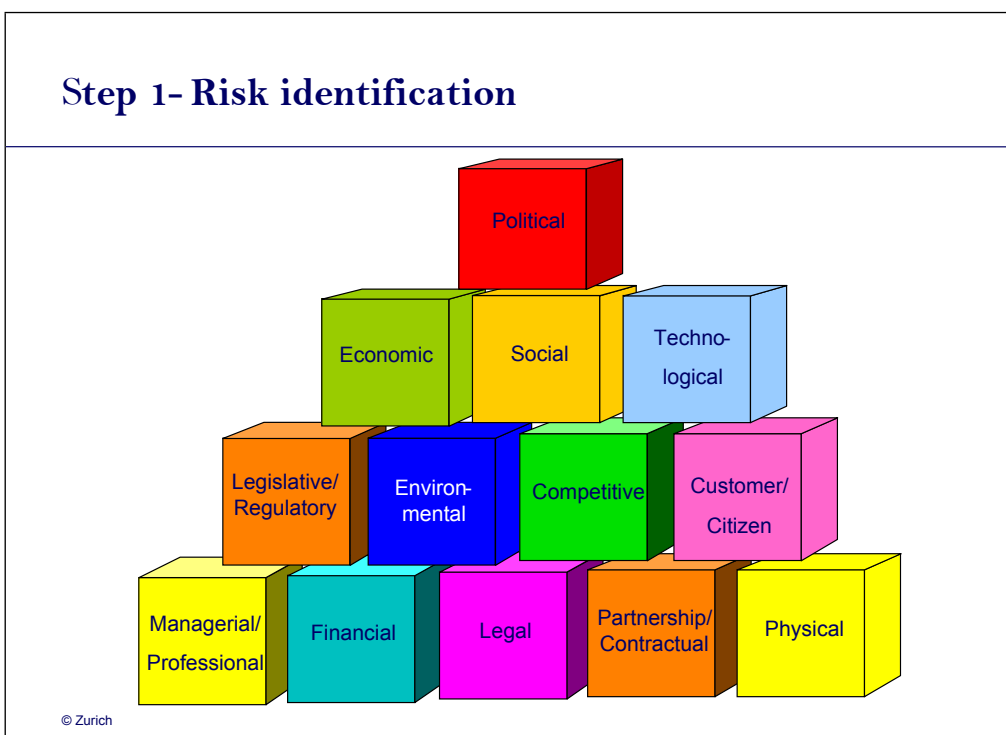
The following report outlines the process utilised by Zurich Risk Engineering and the results achieved.

2. The Process



Risk identification

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



Risk analysis

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

Risk prioritisation

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

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

Risk management and monitoring

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

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

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

As part of the regular review and reporting additional risks have been identified and added to the register, as shown in the table below.

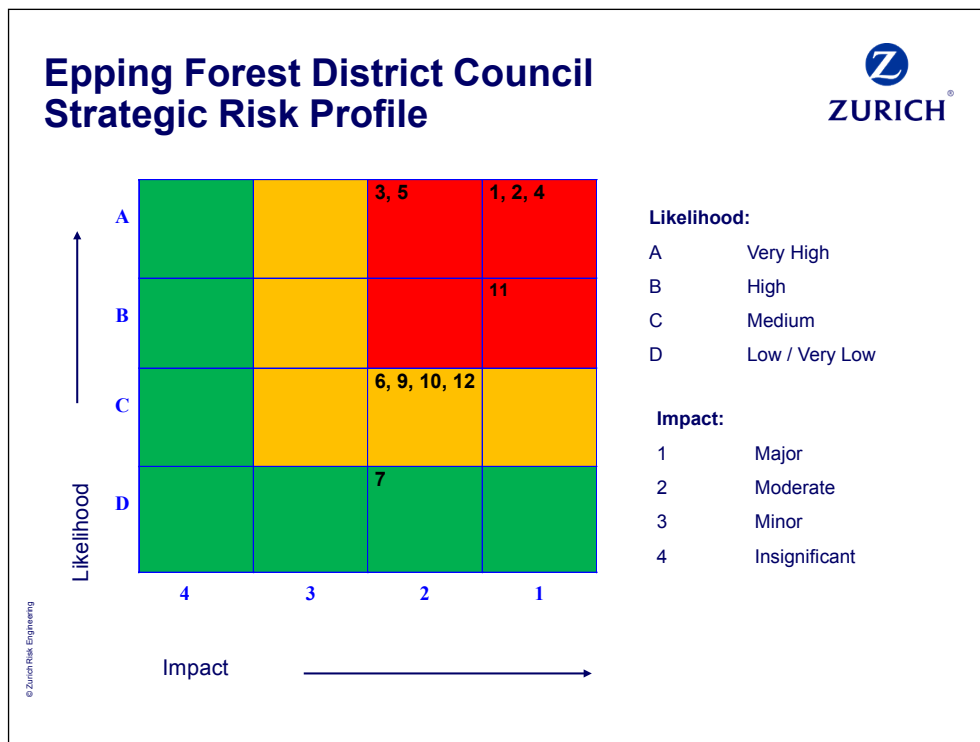
Risk number	Risk name	When added
9	Safeguarding	January 2014
10	Housing Capital Finance	June 2015
11	Transformation Programme	January 2018
12	Waste Management	June 2018

Risk 8 Partnerships – removed in September 2018.

Appendix 1 – Risk Profile

Risk profile

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



Appendix 2 details all of the above risks.

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

List of current Corporate Risks

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

Appendix 2 – Corporate Risk Register and Action Plans

Risk No 1	Local Plan	A1		
Vulnerability	Trigger	Consequence	Risk Owner	
<p>On-going changes to the Planning system increase the importance of having an up to date adopted Local Plan to avoid the risk of intervention by the Secretary of State. On 16 November 2017 the Secretary Statement announced the commencement of intervention in the plan making arrangements of 15 local planning authorities that had failed to progress a Local Plan to the stage of publication</p> <p>A failure to submit the Local Plan to the Secretary of State for Independent Examination within six months of the date of publication of the revised National Planning Policy Framework (NPPF) (published on 24 July 2018 with a six month date of 24 January 2019) will result in the Council needing to use the standard methodology for the assessment of housing need – using this methodology it is likely that the housing target will be as set out in the consultation (i.e 923 homes per annum) rather than the 518 homes currently identified as the District’s housing requirement. MHCLG has announced that it will be reviewing the methodology following the publication of ONS data due in September. Any delay will also require the Council to undertake a significant amount of further work. In addition the Government is introducing a new Housing Delivery Test which without an adopted Local Plan the Council will not be able to meet.</p> <p>Planning policy recruitment and retention issues. Not considering alternative options of delivering work i.e outsourcing/secondments.</p>	<p>The Council is currently awaiting the decision on an application by the claimants to the Court of Appeal to seek leave to appeal the High Court decision which dismissed the claim for judicial review. This is holding up the submission of the Local Plan Submission Version (LPSV) for independent examination. As a result of an injunction granted on 20 March 2018 by Mrs Justice Lang which prevents the Council from submitting the plan until the final determination of the legal proceedings.</p> <p>As above</p> <p>Inability to fill vacancies.</p>	<p>Plan not “sound”, leading to further delay, wasted resources, and vulnerability to planning appeal decisions and development in the Green Belt.</p> <p>As above</p> <p>Significant diversion of professional resources to appeals. Risk of costs awards against Council. Delays in achieving timetable.</p>	<p>Derek Macnab</p>	

Risk No 1 Local Plan – Action Plan

Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Local Plan Submission Version 2017 Agreed by Council 14 December 2017 and published between 18 December 2017 and 29 January 2018.	Key milestone to achieve new LDS. Revised LDS may be required depending on JR outcome.	Collation of Representations and plan was ready to be submitted to Planning Inspectorate by 31 March 2018. Submission held up by JR.	Derek Macnab	Future adherence to project plan.	MB review 6 weekly	None – process ongoing.
Local Development Scheme (LDS) revised following submission of plan for independent examination.	Revised Local Development Scheme adopted by Cabinet following submission.	Review progress against key milestones. Planning Inspectorate (PINS) have advised that an updated LDS is not required prior to submission.	Derek Macnab	Adherence to revised LDS	MB review 6 weekly	Submit as soon as possible after JR decision

Risk No 1 Local Plan – Action Plan						
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Systematic approach to Duty to Co-operate, engaging public bodies and developing Memorandum of Understanding (MoU) with key councils in the Strategic Housing Market Area (SHMA).</p>	<p>Regular reports at officer and Member level through the Cooperation for Sustainable Development Group. Draft Employment MoU now agreed.</p>	<p>Important that key decisions do not precede Duty to Co-operate i.e. “fait accompli”- Group is exploring additional items to be included on discussion agenda.</p>	<p>Derek Macnab</p>	<p>Submitted plan passes legal test of Duty to Co-operate.</p>	<p>MB review six weekly</p>	<p>Officer Meetings – monthly now underway.</p> <p>Duty to Co-operate” Member meetings held regularly.</p>
<p>Development of mitigation strategy as set out in the MoU regarding the effect of development on Epping Forest SAC.</p>	<p>Regular meetings now held with key stakeholders to develop mitigation strategy.</p>	<p>Awaiting information on projects to support the mitigation strategy from City of London (Epping Forest Conservators)</p>	<p>Derek Macnab</p>	<p>Interim mitigation strategy in place pending a full agreed strategy.</p>		<p>Agreed strategy by the end of 2018.</p>
<p>Consultants in place to support project management, resource planning, Sustainability Assessment, transport modelling, master planning..</p>	<p>Staff cannot be prevented from leaving. Exit interviews should reveal any specific patterns. Market is picking up, making recruitment more difficult. EFDC has offered market supplements on key posts to offer competitive salaries in a tight market.</p>	<p>Ongoing review of strategy by senior planners and Management Board. Scrutiny Function to be undertaken by Neighbourhood Select Committee.</p>	<p>Derek Macnab</p>	<p>No delays to timetable due to staffing gaps or lack of critical skills</p>		

Risk No 2 Strategic Sites A1						
Vulnerability		Trigger		Consequence		Risk Owner
The Council has a number of Strategic sites which it needs to make the right decisions about and then deliver on those decisions.		Not maximising the opportunity of the strategic sites either through decisions or delivery. Loss of key officers.		<ul style="list-style-type: none"> Financial viability of Council harmed Lack of economic development and job creation External criticism <ul style="list-style-type: none"> Project delayed or mismanaged 		Derek Macnab
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Work on strategic sites is co-ordinated through a dedicated Cabinet Committee.	<p>Work is progressing on developing a number of sites:</p> <ol style="list-style-type: none"> 1. Landmark/ former Winston Churchill, negotiations taking place with potential tenants for retail space. One unit let, two under offer and remaining unit being marketed. 2. St Johns, negotiations are ongoing with Epping Town Council; 3. Waltham Abbey Leisure Centre; leisure centres are now managed by Places for People, they are developing sites. Construction is progressing to plan; 4. Pyrles Lane Nursery, Cabinet agreed disposal strategy. Marketing to end summer 2018. 5. North Weald Airfield. Cabinet agreed letting to National Police Air Service (NPAS). Currently in solicitors hands. 	<p>Complete letting of retail space.</p> <p>Relocation of Housing depot to Oakwood Hill depot in progress.</p> <p>Monitor construction of new centre. Currently on programme.</p> <p>Nursery Services to re-locate to Town Mead.</p> <p>Complete letting of site to NPAS.</p>	Derek Macnab	Development of strategic sites completed in accordance with Cabinet decisions.	Monthly	None

Risk No 3 Welfare Reform A2						
Vulnerability		Trigger		Consequence		Risk Owner
The government has pledged to make substantial savings from the overall welfare bill. This will require a major reform of the welfare system which is likely to have serious impacts on the Council and the community. This includes Universal Credit, changes to Council Tax and other benefits and direct payments to tenants.		Welfare reform changes have a detrimental effect on the Council and community		<ul style="list-style-type: none"> • Tenants no longer able to afford current/new tenancies. • Increase in evictions and homelessness • Increased costs of temporary accommodation • Unable to secure similar level of income due to payment defaults • Increase in rent arrears • Public dissatisfaction • Criticism of the Council for not mitigating the effects for residents. 		Alan Hall
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
Joint Benefits and Housing working group established. Mitigation action plan developed.	Two thirds of the actions have been implemented.	Working Group to continue and amend mitigation action plan as necessary. To be reviewed when the full service is implemented.	Alan Hall	A smooth implementation of welfare reforms. Minimise number and cost of redundancies.	Monthly	31 December 2018.

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

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

Risk No 6 Data / Information C2						
Vulnerability		Trigger	Consequence			Risk Owner
The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.		Data held by the Council ends up in inappropriate hands.	<ul style="list-style-type: none"> • Breach of corporate governance • Increased costs and legal implications • Reputation damaged 			Simon Hill
Existing Controls/actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Updated Data Protection policy agreed by Corporate Governance Group and rolling out through meta-compliance.</p> <p>Data Protection formed part of Member induction from May 2014, with requirement to confirm acceptance of the Council's DP policy.</p> <p>Consolidation of Data Protection and Freedom of Information work in one area.</p> <p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Controls in systems have been strengthened in response to specific occurrences.</p> <p>New system for handling F.O.I. requests now implemented.</p> <p>Data retention policies on the Council intranet.</p>	Generally effective to date, with no significant lapses so far in 2018/19.	<p>Update F.O.I. publication scheme and guide to information.</p> <p>Data sharing and fair processing notices to be reviewed and standardised.</p> <p>Maintain GCSx compliance and system controls.</p>	Simon Hill	<p>Continued security of personal data held by the Council in accordance with the Data Protections Act 1998.</p> <p>No criticism from the ICO over how requests are handled.</p> <p>No data loss or system downtime due to unauthorised access of EFDC systems or data.</p>	Quarterly	None

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

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

Risk No 9 Safeguarding - Action Plan

Existing Controls/ actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>The Council has a Safeguarding Policy (2018), which is updated in line with new legislation. The policy details what is required of all staff and Elected Members and is supported by a set of procedures which set out the process for recording safeguarding concerns, incidents and allegations.</p> <p>A corporate Safeguarding Group ensures sharing of best practice and information across Directorates and enables the identification of any weaknesses in the Council's work.</p> <p>Council policies have been developed for all new and emerging safeguarding issues such as Child Sexual Exploitation (CSE).</p> <p>A Safeguarding Strategy and Action Plan has been adopted by Cabinet.</p> <p>A bespoke Basic Safeguarding Awareness e-learning training resource has been developed, which all EFDC staff and Members must undertake.</p> <p>An EFDC bespoke 'Enhanced' safeguarding training session has been developed, to be rolled out October 2018.</p> <p>Nursery Worker Accommodation Task Group established.</p>	<p>The Council has reduced the risk of safeguarding issues going unnoticed by staff and Elected Members by developing a new programme of training and production of the new Policy and procedures 2018.</p> <p>This group has become an effective forum for sharing of best practice and commitment from all Directorates is shown.</p> <p>Several of these policies have been used across Essex as examples of best practice.</p> <p>These documents set out areas requiring further improvement.</p> <p>To be launched summer 2018.</p> <p>The Safeguarding 'Hub' enables all EFDC safeguarding issues to be reported. The number of concerns identified in the last year has increased significantly.</p>	<p>Leadership Team and Managers to continue to promote vigilance amongst staff.</p> <p>The Council needs to ensure timely response to changes in legislation or local procedures.</p> <p>Directorates need to continue to commit time for representatives to attend the Corporate Working Group.</p> <p>Safeguarding Strategy and Action Plan to be reviewed in 2018/19.</p> <p>Training records to be held and maintained centrally by the People Team.</p>	<p>Alan Hall</p>	<p>The Council meets all of its duties for safeguarding children under Section 11 and 47 of the Safeguarding Act 2004.</p> <p>The Council meets the new duties of the Care Act 2014.</p> <p>The Council fully meets all aspects of the ESCB Section 11 and ESAB Safeguarding self - assessment.</p>	<p>Quarterly</p>	<p>Annual submission of ESAB/ESCB Audits.</p>

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

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

Risk No 12 Waste Management C2						
Vulnerability		Trigger	Consequence			Risk Owner
<p>Inability of the Council's partnering contractor, Biffa Municipal Limited to secure profitable outlets for recycling materials processed through the Material Recycling Facility (MRF) could result in diminishing income.</p>		<p>There has been significant drop in income from the sale of recycling materials especially paper, caused primarily by the Chinese government decision to ban import of MRF paper. This has resulted in saturation in the commodity markets.</p>	<ul style="list-style-type: none"> • Reputational damage to the Council if recycling materials is sent to landfill. • Additional costs to the Council if Biffa cannot sell materials. • Additional costs under pain/gain share mechanism in the contract if the income from recycling continues to drop or worst case becomes a cost. 			<p>Derek Macnab</p>
Existing Controls /actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>Financial settlement is being agreed with Biffa to mitigate some of the costs arising from the increased costs of processing and the capital investment incurred to improve the quality of recycling output from the Biffa MRF.</p>	<p>Dependent, to a large extent, on the market forces in the case of commodity prices.</p> <p>Risks due to Recycling Index Unit Rate (RIUR) variation to be continued to be monitored closely.</p>	<p>Management Board to continue to monitor the costs and market fluctuations.</p>	<p>Derek Macnab</p>	<p>RIUR reviews result in increased income.</p> <p>Difficulties in selling recycling materials is identified early.</p>	<p>Monthly</p>	<p>November 2018</p>

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

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Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: FPM-012-2018/19

Date of meeting: 13 September 2018

Portfolio: Finance

Subject: Quarterly Financial Monitoring

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

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

Recommendations/Decisions Required:

That the Committee note the revenue and capital financial monitoring report for the first quarter of 2018/19;

Executive Summary

The report provides a comparison between the original estimate for the period ended 30 June 2018 and the actual expenditure or income as applicable.

Reasons for proposed decision

To note the first quarter financial monitoring report for 2018/19.

Other options for action

No other options available.

Report:

1. The Committee has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This is the first quarterly report for 2018/19 and covers the period from 1 April 2018 to 30 June 2018. The reports are presented based on the directorate responsible for delivering the services to which the budgets relate and the budgets themselves are the original estimate. The budget that is now underway will be prepared in the new directorate structure and it is intended to prepare the second quarter monitoring report on this basis.
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 £170,000 or 2.8%. At the first quarter last year the underspend was 2.5%.
4. Neighbourhoods is showing the largest underspend of £68,000, this is partly because the Acting Chief Executive is allocated in part to Neighbourhoods and part to Office of the Chief Executive, there are also underspends in Grounds Maintenance, Planning Policy,

Environmental Admin and Licensing. Resources is showing a saving of £52,000 relating to the deletion of the post of Director of Resources and underspends on both Revenues and Housing Benefits. Governance shows an underspend of £34,000 due to the deletion of the post of Director of Governance and underspends on Legal and Elections. The Office of the Chief Executive is showing a saving of £23,000 also related to the aforementioned split allocation of the Acting Chief Executive. Communities is showing a small overspend of £7,000.

5. The investment interest is slightly above the target due mainly to the Council holding more cash than was expected. The increase in Interest rates will also have a positive effect going forward though not that significant.
6. Development Control income at Month 3 is well above expectations. Fees and charges were £274,000 higher than the budget to date and pre-application charges are £5,000 lower than expected. There have been a number of larger schemes come through so far this year and by month 4 income has reached the level expected at month 6.
7. Building Control income was £22,000 lower than the budgeted figure at the end of the first quarter due to some administrative issues. By the end of month 4 these had been resolved and income was only £5,000 below budget. The opening position on the ring-fenced account is a surplus of £111,000 after a £4,000 deficit last year. The account is budgeted to show an in year deficit of £87,000. A review of the position on the account is being undertaken at the moment and this suggests the deficit will be a bit lower than this.
8. Public Hire licence income is above expectation and other licensing is below expectations. A significant number of renewals are due in the autumn which should bring licensing income back into line with the budget.
9. Income from MOT's carried out by Fleet Operations is below expectations by around £9,000. The account is budgeted to show a deficit of around £33,000 which is around half the original deficit for the previous year.
10. Car Parking income is on target with expectations at month 3, though there will be some income relating to the first quarter that was received in month 4.
11. Local Land Charge income is £4,000 below expectations however it is a little early in the year to be sure whether this trend will continue. The budget has remained unchanged from last year when the budget was exceeded so there may be a slight downturn in searches required.
12. Expenditure and income relating to Bed and Breakfast placements has reduced in recent months. Invoicing has been a little slow from bed and breakfast accommodation providers but also Housing Benefit caseload has been reasonably static. There are a number of initiatives in place to stem the increase in bed and breakfast usage and evidence suggests that these are having a positive effect.
13. There was no recycling credit income in the first quarter. The County Council are often slow to agree figures in the early part of the year but things tend to catch up by month 6. The same situation occurred last year.
14. The waste contract expenditure is in line with expectations but the leisure management contract shows a reduction in income due to some unexpected pension related expenditure. The full expected saving will now be achieved later than expected.
15. The Housing Repairs Fund shows an underspend of £38,000, this relates mainly to planned maintenance works. There is also a small variance on HRA Special Services which relates to utility costs.
16. Income from Development Control and probably Car Parking look likely to exceed the

budget. Others are less certain.

Business Rates

17. This is the Seventh year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council. The proposals are that 75% of Business Rates be retained within the local government sector and we have now been told that this will take effect from the financial 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. Discussions are currently being held with other Essex Authorities to determine whether a bid to Central Government should be made to become a 75% retention pilot for 2019/20.
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 2018/19 the funding retained by the authority after allowing for the Collection Fund deficit from 2017/18 and the estimated various grants given to compensate the authority for the various reliefs is £4,350,000. This exceeds the government baseline of £3,210,000 by some £1,140,000. The actual position for 2018/19 will not be determined until May 2019.
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 £10,431,815 and payments out were £8,281,279, meaning the Council was holding £2,150,536 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates. This is an improvement on this point last year.

Capital Budgets (Annex 7 - 11)

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the three months to 30 June. There is a commentary on each item highlighting the scheme progress.
22. The full year budget for comparison purposes is the Original Budget updated for carry forwards, due to 2017/18 slippage.

Major Capital Schemes (Annex 12)

23. There are four projects included on the Major Capital Schemes schedule these relate to the House Building packages 2 and 3, the new Hillhouse Leisure Centre and refurbishment works at Loughton Leisure Centre. Annex 12 gives more detail. The variance reported is a comparison between the anticipated outturn and approved budget.

Conclusion

24. With regard to revenue, Development Control income is going extremely well though Building Control, Land Charges and Fleet operations income are down currently though not significantly. Other income streams are broadly on track and expenditure is below budget which is often the case at this stage in the year.
25. The Committee is asked to note the position on both revenue and capital budgets as at

Month 3.

Consultations Undertaken

This report will also be presented to the Resources Select Committee during October, and an update will be provided to that committee to cover any comments made by this Committee.

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
17/08/18 Assistant 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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JUNE 2018 - SALARIES

<u>DIRECTORATE</u>	<u>2018/19</u>			<u>2017/18</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 30/06/18</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 30/06/17</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>(ORIGINAL)</u>	<u>(ORIGINAL)</u>	<u>£000</u>	<u>(ORIGINAL)</u>	<u>(ORIGINAL)</u>
		<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
CHIEF EXECUTIVE	208	231	-10.0	118	131	-9.9
RESOURCES *	1,553	1,605	-3.2	1,405	1,497	-6.1
GOVERNANCE *	906	940	-3.6	910	907	0.3
NEIGHBOURHOODS *	1,278	1,346	-5.1	1,261	1,266	-0.4
COMMUNITIES *	2,017	2,010	0.3	1,945	1,982	-1.9
TOTAL	5,962	6,132	-2.8	5,639	5,783	-2.5

* Actual agency costs are £325k to date, of this £245k is included in the actual expenditure above, as the remainder is covered by other existing budgets.

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

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	124	60	68	59	8	13	The variance is due to ad hoc security for events and additional security to cover for a month at the museum store (Grangewood) while emergency building works were taking place.
Bed & Breakfast Accommodation	271	68	35	124	-33	-49	The underspend on bed and breakfast accommodation is due to suppliers slow in invoicing the Council.
Grants to Voluntary Groups	88	1	0	0	-1	-100	There are no major variances.
Voluntary Sector Support	174	56	57	56	1	1	There are no major variances.
Disabled Facilities Grants	630	158	87	97	-71	-45	The Council has a legal duty to provide Disabled Facility Grants (DFGs) to all residents who meet the eligibility criteria. These grants are used for disabled adaption works such as stair lifts, disabled entry solutions and bathroom renovations, all fully funded by Better Care Fund. The expenditure in quarter 1 amounted to £87,000, however, the commitments will continue to rise over the year as additional grants are approved.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	280	70	84	117	14	20	Income was higher at this point last year due to more rents due. There has been a reduction since then and maybe the new initiatives are now starting to have a positive affect.
	1,567	413	331	453			

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
Major income items							
Development Control	1,248	279	548	218	269	96	<p>Development Control fees received in the first quarter has exceeded both the budget to date and the previous year's actual due to an increase in the number of planning applications received. This includes the 20% increase in Planning Fees which was implemented in January 2018 along with a number of high value fees from large developer proposals who may have previously been awaiting the publication of the Local Plan.</p> <p>The £269,000 additional income received in comparison to the budget at the end of quarter one includes £258,000 in development control fees and charges and £11,000 in other pre assessment consultation fees.</p>
Building Control Fee Earning	500	145	123	160	-22	-15	<p>Building Control fees are significantly lower in the first quarter of this year than the previous year due to administrative delays in processing building control application payments received via the introduction of the online payments system in April 2018. It is expected that in quarter two the actual and comparative will be on target.</p>
Local Land Charges	164	44	40	49	-4	-9	<p>The first quarter of 2018/19 has seen a small decline in the amount of official searches resulting in reduced levels of fee income compared to the first quarter of the previous year and the budget to date. It is difficult to predict the number of searches the service will receive as it is determined by the buoyancy of the housing market. The Local Land Searches service are currently looking at ways to maximise income which will ensure both viability and legality of any new measures introduced. However income will continue to fluctuate for the remainder of 2018/19 and going into the 2019/20.</p>
	1,912	468	711	427			

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
Major expenditure items:							
Refuse Collection	1,462	218	213	217	-5	-2	} No major variances
Street Cleansing	1,386	222	209	203	-13	-6	
Recycling	3,049	364	370	441	6	2	No major in year variance. The variance between years relates to a creditor brought forward not yet paid.
Highways General Fund	62	5	3	1	-2	-40	No major variances,
Off Street Parking	479	136	141	137	5	4	No major variances
North Weald Centre	218	66	58	69	-8	-12	This relates to various maintenance budgets which tend to have more spend in the final quarter
Land Drainage & Contaminated Land	192	13	0	9	-13	-100	No expenditure has been necessary so far this year because of the dry conditions.
	6,848	1,024	994	1,077			

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning/Local Plan	1,235	93	6	38	-87	-94	Due to the recent submission of the local plan expenditure is on hold until the investigations begin on the appeals process from some residents.
<u>Contract cost Monitoring</u>							
Leisure Contract	-734	-134	-113	0	-21	-16	Due to some additional costs relating to pensions the net income is lower than expected. Over time this additional cost will diminish but will mean the full savings will be realised later than expected.
	501	-41	-107	38			

DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
Major income items:							
Refuse Collection	80	20	23	19	3	15	No major variances.
Recycling	1,477	0	0	0	0	0	The Recycling credit income figures usually take some time to agree with the County Council and hence no income was expected or received in the first quarter
Off Street Parking	1,368	309	308	309	-1	0	No major variances.
North Weald Centre	976	355	302	321	-53	-15	The major in year variance is due to no rental income from NAPAS to date. The variance between years is mainly due to a fall in events income.
Hackney Carriages	176	44	36	43	-8	-18	Income is lower than expected at this point though the initial 3 year licences first issued in 2015 are due for renewal in the autumn so there should be a spike in income then.
Licensing & Registrations	112	12	16	13	4	33	Some additional income is showing though this is likely to be a timing difference.
Street Operations MOTs	244	61	52	52	-9	-15	Whilst MOT income is showing a moderate increase (2.3% year-on-year) against a targeted increase of 12% and a new budget for the sale of old vehicles sees estimated income being down on estimate, but still in line with previous years income to date.
	4,433	801	737	757			

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,373	651	629	670	-22	-3	The variance year-on-year is down to a premium received from 1 unit at Brooker Road. In-year variances arise due to a couple of units where tenancies have extinguished.
Business Premises - Shops	2,204	1,102	1,073	1,080	-29	-3	No major variances. Income is generally in line with the previous year.
Epping Forest Shopping Park	1,776	444	515	0	71	16	Income is accounted for over the whole length of the lease and therefore income is being accrued when rent free periods are in force. The budget did not assume this.
Local Plan Implementation	40	10	84	0	74	740	With this being a new scheme and budgets there was little surety about the amount of income that would be generated. To date there has been an amount from one developer and a grant from MHCLG.
Land & Property	215	105	105	8	0	0	Quarter 1 of 2017/18 did not feature any income from the David Lloyd Sports Centre as the lease was under review and no income was stated for the period.
	5,609	2,312	2,408	1,759			

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	638	51	45	37	-6	-12	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.
Information & Communication Technology	1515	891	882	694	-9	-1	The full year budget includes the cost of the councils Multi-Function Devices, Network Telephone & Mobiles, provision of the Service Desk and maintenance for all Systems in use. Expenditure in 2018/19 is higher than the comparative actual due to costs relating to the technology strategy which was approved in November 2017 as part of the transformation programme. Although at quarter one the expenditure is lower than the profiled budget, it is expected that this will be spent in the last two quarters of the year for ongoing system projects within the Council.
Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates)	289	72	67	87	-5	-7	Caseload has remained reasonably static over the last few quarters. The actual in the previous year included some claims that were late being submitted and had an element of backdating.
Bank & Audit Charges	117	8	7	1	-1	0	The expenditure in the first quarter of 2018/19 is on target with the budget to date. The increase in expenditure compared to the prior year is the result of a timing difference in the billing for the banking and cash collection charges.
	2,559	1,022	1,001	819			
<u>Major income items:</u>							
Investment Income	102	25	31	51	6	22	Interest income is slightly above expectations due to cash holdings being higher than expected. The recently announced increase in interest rates will also have a positive effect.
	102	25	31	51			

	18/19 Full Year Budget £'000	First Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	311	34	23	25	-11	-32	Expenditure is lower in the first quarter of 2018/19 due to less spending on Policy & Management, consultants fees.
Housing Repairs	6,128	767	729	591	-38	-5	The underspend mainly relates to the Planned and Engineering Maintenance of the HRA. The spend in quarter one last financial year, 17-18, was lower due to a delay in invoices from one of the contractors.
Special Services	1,129	193	186	171	-7	-4	The main area that is showing an underspend is Staircase Lighting, electricity. The profile has been amended from monthly to seasonal, however there will always be a slight variance showing.
	7,568	994	938	787			
<u>Major income items:</u>							
Non-Dwelling Rents	876	215	212	205	-3	-1	There are no major variances to report.
Gross Dwelling Rent	31,324	7,831	7,797	7,876	-34	0	The reduction in rental income from dwellings this financial year compared to 2017/18 is due to the rent decrease of 1% from April 2018, combined with reduced stock numbers due to the high number of Right To Buy sales last year. Void levels are around 0.75%, running broadly in line with expectations.
	32,200	8,046	8,009	8,081			

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**2018/19 DIRECTORATE CAPITAL MONITORING -
COMMUNITIES**

Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
CCTV Systems	72	5	1	-4	-79	There are three CCTV schemes planned for 2018/19. excluding those being installed in the Council's car parks. A planning application has been submitted to approve the designs for a replacement CCTV system along Epping High Street. This scheme previously faced major delays due to the complexity of the system; however, all design works have now been completed and the project is scheduled to go out for tender in October and be commissioned by the end of the financial year, if the planning permission is granted. The designs for a new system to cover the Hillhouse leisure centre have now been confirmed and booked for commencement at the end of quarter two. The replacement system at Hillhouse shopping parade will follow the works at the leisure centre with initial cabling is being installed in September; approximately one third of the project covers CCTV for local housing, which will be recharged to the HRA budget.
Car Park CCTV Systems	46	11	0	-11	-100	Works have started on a replacement CCTV system at Quaker Lane car park, which will shortly be commissioned. The remaining planned CCTV works at High Beach, Smarts Lane and The Drive car parks, budgeted at £33,000 are likely to be deferred to the next financial year. Two further car parks at Oakwood Hill estate have been identified for potential installations and a further report will be submitted once surveys and consultations have been completed.
Housing Estate Parking	422	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.
Total	540	16	1			

**2018/19 DIRECTORATE CAPITAL MONITORING -
NEIGHBOURHOODS**

Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Town Mead Depot	107	0	-26	-26	0	Town Mead Depot is required to be functioning by December 2018 to provide staff moving from Pyrles Lane with suitable accommodation. The depot has also been subject to an internal Health and Safety audit which has raised a number of issues which require compliance before the premises can be utilised. Some of the more urgent works, such as fencing, CCTV, ground improvement and drainage works have already been completed to facilitate this. The negative actual figure shown here relates purely to the reversal of a closing creditor at the end of the previous financial year which is yet to be invoiced by the supplier.
Hillhouse Leisure Centre	4,944	1,854	1,591	-263	-14	Please see major scheme tab for details on this scheme.
Loughton Leisure Centre	2,484	207	476	269	130	Please see major scheme tab for details on this scheme.
Epping Sports Centre	164	164	234	70	43	The reconfiguration of the reception area and refurbishment work at Epping Sports Centre (ESC) is soon to be completed. There have been increased costs associated with this centre due to improvements outside the original scope of the specification including: upgraded air conditioning in the virtual spin room; further improvements to the design of the changing rooms; and replacement of the sports hall flooring that was found to be rotten underneath. The effect of these changes has increased cost of works to ESC amounting to £218,000. £93,000 of this was supplemented in 2017/18 by savings made on a new combined heat and power unit at Ongar Leisure Centre, whilst the remaining £125,000 will be requested to be supplemented from savings made at Loughton Leisure Centre. ESC and Ongar Leisure Centre will be subject to a financial risk assessment to determine future liabilities to the building.
EFDC Shopping Park	459	230	48	-182	-79	The construction of the Shopping Park was completed in June 2017 and the final three units have been now been let. The budget in 2018/19 relates to the remaining allocation agreed by Members, which is expected to cover all outstanding costs such as letting agents' fees, legal costs for the production of the heads of terms, capital payments to tenants and variations in the final account, some of which have already been paid. An attenuation tank has been installed under the road adjacent to the units in order to collect and safely drain surface water away after it was discovered that many of the drains were blocked or had collapsed.
Hillhouse Development	130	0	0	0	0	EFDC has entered into a Section 106 agreement to provide compensatory facilities as the development of the new Leisure Centre (as well as the Hillhouse Centre and Independent Living Scheme) will mean a loss of sports pitches in the area. A preliminary strategy has been produced, which outlines the improvement of pitches at Townmead as a suitable option which also meets statutory requirements. The contribution is expected to be paid by the end of the calendar year with the final figure expected to be £137,000, which includes an adjustment for inflation since the Council entered into the agreement two years ago.
Total c/f	8,288	2,455	2,323			

**2018/19 DIRECTORATE CAPITAL MONITORING -
NEIGHBOURHOODS**

Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	8,288	2,455	2,323			
Other Schemes	241	161	161	0	0	The Grounds Maintenance team have had the delivery of the six new ride-on mowers replacing an ageing fleet that was traded in for £26,500. The team is also intending to purchase a truck for approximately £32,000 before the end of the year and is assessing the need to replace a tractor. During the previous financial year, the Flood Alleviation team had an additional budget allocation approved after there was an unexpected failure of the main control unit and pumps at Bobbingworth Tip. The labour and equipment costs relating to the rectification works are expected to be covered by the £19,000 budget in this financial year. The Flood Alleviation team are actively evaluating any further potential risks elsewhere in the district. The extension of the North Weald 240 Building to accommodate a vehicle compound is still awaiting planning permission, with works not expected to progress until quarter 4 at the earliest.
Car Park Schemes	184	0	0	0	0	Across the district there are twenty Council owned car parks which are being upgraded to include LED lighting. In addition to the three car parks that received LED lights last year (Cornmill and Darby Drive in Waltham Abbey and Traps Hill in Loughton), work on Quakers Lane is currently progressing and expected to be completed in quarter 2. Three further car parks are scheduled to be completed by the end of the year (Bansons Lane, the Pleasance and Lower Queens Road) at a cost of £46,000. At the Oakwood Hill car park, the land owned by EFDC was identified, fenced off, and all works completed. The additional bays that were planned on land deemed not to be owned by the Council have not been constructed and therefore the unspent budget of £33,000 will be available for consideration by Members as part of the Capital Review. The pay and display equipment that had already been purchased for this scheme will be utilised on other sites. A decision is expected from the Planning department in late August as to whether the project at Vere Road car park can proceed. If successful a tender will be prepared for the demolition of the garages and the designs for the car park layout, drainage and resurfacing can begin. Although these works are expected to be completed by the end of the financial year, there is a risk of rising costs after a potential presence of asbestos in the garages was highlighted, in addition to the design team identifying an extra nine parking bays outside the original specification. The Neighbourhoods team is assessing options to achieve investment growth through development of car parks and will submit a report to Cabinet in September outlining this growth through improvements to the Council's car parks.
Total	8,713	2,616	2,484			

**2018/19 DIRECTORATE CAPITAL MONITORING -
RESOURCES**

Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Transformation Projects	11	0	0	0	0	A small budget has been set aside for future feasibility works relating to the Council's Accommodation Review. The improvement works to the investment property at 16 The Broadway, which included putting a waterproof liquid membrane over the existing felt, was completed as budgeted in quarter 1 but is yet to be invoiced. The remaining budget (£25,000) is a provision for costs where investment properties share common roofing with housing. However, it is expected that the General Fund element for these works will exceed £70,000 if all works were to go ahead; this will be addressed as part of the Capital Review.
Works On Investment Properties	30	5	0	-5	-100	
Active Planned Maintenance Projects	317	0	4	4	0	
On-Hold Planned Maintenance Projects	1,196	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. The ICT schemes have now been split to show meaningful management information of the two categories within the ICT section; the ICT strategy implementation as part of the transformation process and the continuing general ICT schemes. There only remaining scheme within this category, Northgate Aspire mobile working modules, is on schedule to be completed in quarter 3.
ICT General Schemes	16	0	-1	-1	0	
ICT Strategy Implementation	736	443	232	-211	-48	Some progress has been made on works scheduled to take place during the first quarter of this financial year. The rollout of new laptops is almost complete with 399 of 408 laptops purchased, with a further 10 high specification laptops currently being assessed for financial viability; some of this budget relates to expenditure has been re-classified as revenue and the budgetary amendments will be addressed as part of the Capital Review. Work has started to link the portal integration academy system, primarily used by the Revenues and Benefits team, to the customer relation management system; whilst the Council are awaiting the invoice for works to replace the gazetteer system which went live in July. ICT equipment has been purchased to equip the housing assets team when it relocates to Oakwood Hill depot however, due to the deferral of the move, the equipment will be stored until required. The rollout of the Hoth system licenses to give access to the Housing IT department has been delayed due to capacity issues, whilst the Windows OS server and host upgrades has been placed on hold awaiting the recommendation of the accommodation review to determine whether physical or cloud servers are needed for the scheme.
Total	2,306	448	235			

**2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Housebuild Phase 1	6	2	0	-2	-100	The Council took possession of 23 properties across four sites in Waltham Abbey in November 2017; these properties are currently in the defects liability period lasting two years. The £6,000 budget for 2018/19 represents the remaining budget from the anticipated outturn agreed by Members; however, the Council have been issued with an interim certificate of the final account for works amounting to £40,000. Inspections are currently being organised to identify any defects to the properties and consequently further costs may be generated; the Council are expected to receive the final account figure in August once these investigations have taken place. The latest estimate of the final account for the P.A. Finlay contract is £3,614,912.96.
Housebuild Phase 2	4,631	1,158	1,248	90	8	Please see major scheme tab for details on this scheme.
Housebuild Phase 3	2,724	681	556	-125	-18	Please see major scheme tab for details on this scheme.
Other Housebuilding	5,983	1,496	68	-1,428	-95	Following the decision made by East Thames to terminate its contract after 4-years as the Council's Development Agent, a new approach was developed to deliver phases 4 to 6 of the house-building programme, which will deliver a more efficient service and de-risk some of the aspects of the programme that have so far resulted in additional costs across schemes that are on site. The new approach included building a Framework of Consultants, who have now been selected, with contracts currently close to being signed. Once signed, the schedule of work will proceed on the sites that have current planning approval. The pre-tender works such as site investigations, remediation works and demolitions will begin before the end of quarter 3 with the tenders being sent out once these works have been completed. The start on site date will be determined on receiving suitable tenders, but the Council are expected to commence works by June 2019 with an 18-24 months construction period for these sites. The schemes that have had planning permission rejected previously have been given authority to be resubmitted; with decisions on these sites still pending, works will start a later date to those approved. On the 18th May 2018 Linden Homes transferred the possession of 8 properties at Barnfields to the Council. This scheme faced delays and failed to meet the initial handover date due to various defects and snagging issues; tenants have now been moved into these properties but are still finding issues which are being dealt with by the EFDC repairs team. The final account for this site is expected to be submitted in May 2019, with the current budget for this scheme is showing a slight overspend of £14,000 due to additional works outside the original specification. Finally, there have been delays during the Norway House Pods pre-construction process, largely in part down to the architects' specification and re-design process. Tenders have been submitted and work on the site is anticipated to commence in October with a six to nine month construction phase. There is a caveat to the planning permission approved for these pods which means a further application for renewal will need to be submitted for the development after a 10-year period.
Kitchen & Bathrooms	1,751	438	536	98	22	The kitchen & bathroom replacement schemes have progressed quickly and are currently ahead of schedule with works expected to continue in this fashion until September when the current contract runs out. The housing assets team are currently in the process of tendering for a new contractor, with the possibility of one contract for both bathroom and kitchen replacements being investigated.
Total c/f	15,095	3,775	2,408			

**2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	15,095	3775	2408			
Oakwood Hill Depot Extension	1,075	269	1	-268	-100	The expansion of the depot located at Oakwood Hill to accommodate the Welfare, DLO and Grounds Maintenance teams are continuing to progress. The consultants have now completed the concept designs of the Oakwood Hill Depot extension and are now progressing with a cost plan and technical designs for the build. A few variations to the original specification, including a new fence, gates and new electronic barriers, have been adopted within these designs due to multiple break-ins and security issues at the depot. Subject to planning permission being granted the provisional start date for these works will be January 2019. Planning permission has also been submitted for the construction of a new car park to facilitate the increased numbers of employees at the depot. The Council have received objections from Natural England, Town Council, and the public; however EFDC are actively communicating with all parties to agree a compromise that would benefit everyone. If planning permission is approved the earliest start date for these works will be October 2018.
Heating & Rewire	2,484	621	306	-315	-51	Gas heating is showing the largest variance of the category. Although there is a large scheme at Hemnall House expected to start in quarter 2, this scheme is likely to stay largely underspent throughout the year as most of the major installations around the Council blocks have been completed. The rewiring scheme is also showing a large underspend due to the Section 20 notices being sent out to tenants later than planned. This delay, coupled with the tenders for an additional rewiring contractor, has seen the scheme fall behind. The Mechanical Ventilation Heat Recover (MVHR) and communal water tanks schemes are both coming to an end, and therefore showing limited spend in quarter 1. These schemes will be reassessed, with the other underspends in the category, as part of the Capital Review in December.
Windows, Doors & Roofing	2,721	680	259	-421	-62	The repair works on tiled roofs for the Council's HRA properties is showing an underspend for the quarter of approximately £160,000 due to slow progress from the contractor. However, there are larger repairs scheduled in to blocks at Hillhouse and Cobdens that should put the progress of the scheme back on target. The housing assets team are currently working on a tender for a new double glazing contractor and therefore works will continue until this is in place. The installation of replacement front doors have been delayed after the FD30 specification was amended by the manufacturer; however, works orders have now been issued for the installations and are likely to complete within the next quarter. The balcony resurfacing scheme is currently on target with a large scheme at Borders Lane expected to be completed in the next quarter, whilst a joint tender with flat roofing currently is being prepared for the blocks at Ninefields for later in the year. There are
Other Repairs & Maintenance	223	56	56	0	0	Feasibility studies were performed on two properties in Waltham Abbey and Loughton which are showing signs of structural movement, whilst a third report has been issued for a property in Waltham Abbey after cracks and structural damage have appeared due to close proximity of trees. The asbestos removal budget is on currently on target.
Replacement Housing Vehicles	68	17	1	-16	-94	Four replacement vans are on order to replace their ageing fleet, and are awaiting a delivery date that is expected to be towards the end of this calendar year.
Other Planned Maintenance	140	35	32	-3	-9	This category includes Norway House improvements, door entry system installations and energy efficiency works. Norway House improvements are ahead schedule with the installation of a new intruder alarm, bathroom improvements and new CCTV equipment (see Garages & Environment Works). The remaining budget is expected to be used in quarter 2 to replace a communal bathroom within the facility and install finger guard production units on all the communal doors. Door entry improvements works at Hillhouse have just commenced; whilst consultation with leaseholders and tenants in two further blocks are progressing. The energy efficiency scheme will be reassessed as part of the Capital Review with most of the cavity walls installations completed earlier in the programme.
Total c/f	21,806	5,453	3,063			

**2018/19 DIRECTORATE CAPITAL MONITORING -
HOUSING REVENUE ACCOUNT**

Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	21,806	5453	3063			
Garages & Environmental Works	624	138	195	57	41	The off-street parking schemes at Torrington Road and Paley Gardens are now complete providing a combined total of 33 spaces to local residents. However, due to a lack of take up in permits around several street parking sites, the housing assets team will submit a viability report to Cabinet detailing whether any more sites should be identified for parking; until a decision has been made, there will be no further works. The budget for major repairs to garages has seen a decline in recent years due to the Council's garages across the district being identified for potential housebuilding sites. In 2018/19 there has been no spend on any garage repairs as many of the sites are expected to be demolished and converted into development land; therefore it is not viable for the Council to spend on these repairs. All costs relating to demolishing and securing the sites will continue to be charged to the housebuilding schemes as per the CIPFA guidance. Although works are expected to progress in the following months, there has also not been any spend on the fencing or external lighting schemes as no works were identified within the quarter. The installation of new and replacement cameras around HRA properties have progressed well with the replacement of an existing system at Norway House completed in the first quarter. This system has also been extended from 28 cameras to 58 to provide more external coverage of the sheltered properties as well as provide more security inside key areas. The systems at Limes Farm Red Block, including the lifts, are currently at the design stage and will be installed in line with the new installations of the new lifts in the estate.
Structural Schemes	2,475	619	466	-153	-25	The Council are currently tendering for a second contractor to assist with the increased structural works to the Council's housing stock. The Council has seen a rise in expenditure over the past 3 years due to the properties becoming old, with works to cracks in plaster and walls becoming an issue. Although the current budget for these works (£1,533,000) seems sufficient, with a 12% buffer showing against the profiled budget, the housing assets and accounts team will continue to monitor the costs throughout the year. The installation of new lifts at Limes Farm and Copperfield are scheduled for practical completion by March 2019.
Disabled Adaptations	487	122	50	-72	-59	There has been limited spend and a subsequent back log of disabled adaptations due to a combination of staffing capacity and tendering for two new contractors to assist with the increasing volume of disabled adaptations and extensions. The Council are currently recruiting for a new Disabled Adaptations Officer whilst the tenders for extensions and bathroom adaptations to Council properties are both due back in July. These delays has caused a reduction in expenditure for quarter one however, once the recruitment and tendering process has been completed, the scheme is likely to be accelerated through the rest of the year.
Service Enhancements	349	87	6	-81	-93	This budget covers the front door replacement programme including leaseholder properties, Oakwood Hill enhancements and mobility scooter stores. The door replacement programme for leaseholders is facing the same delays as the door replacement schemes in other categories. After consultation with members of the Oakwood Hill Estate Residents' Association (OHERA) it was agreed that the best use of the £400,000 funding (shared by EDFC and ECC) is to repair and resurface the whole footpath on the estate with slurry sealing rather than a full reconstruction on 25% of the estate; some of which are the responsibility of the District Council (un-adopted footpaths) and some the responsibility of the County Council (adopted footpaths). The designs & pre-works have been completed whilst the restoration works are expected to be completed by October. The housing assets team had identified Pelly Court as a potential site for the construction of a new Scooter Store, however the scheme became unviable after consultations with the residents with limited take up of the
Work on HRA Leasehold Properties	-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	25,441	6,419	3,780			

**2018/19 DIRECTORATE CAPITAL MONITORING -
REVENUE EXPENDITURE FINANCED FROM CAPITAL UNDER STATUTE (REFCuS) AND CAPITAL LOANS**

REFCuS Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Parking & Traffic Schemes	272	0	0	0	0	The first phase review, which selected as its focus twelve roads in Loughton, is complete. The second phase of the review covers the larger Debden area and is due to take place during this financial year. A meeting was held last year to discuss the designs and potential locations around Debden Station. The consultation and Traffic Road Order (TRO) is being conducted by NEP in the second quarter of this financial year, which encompasses various marketing strategies including press notices. Time scales will depend on the quantity and severity of objections. As road lining does not normally take place between November and April due to weather constraints, it will depend on how soon the review is complete as to whether the works will proceed in this or the next financial year. Whilst the cost of the first phase was around £50,000, it is likely that the second phase may cost in the region of £150,000 to £200,000 as the area covered by the Debden review is much larger.
Total	272	0	0			

Capital Loan Scheme	18/19	First Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Private Sector Housing Loans	217	54	1	-53	-98	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. Up to the end of quarter 1, £1,000 has been spent, although £9,500 are works were actually completed but yet to be invoiced; there is an additional £80,000 of approved cases where works are either on site or to go on site and be completed.
Total	217	54	1			

**2018/19 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES**

Housebuilding Phase 2										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000	£'000	£'000	£'000	£'000	%	£'000
				(A)	(B)	(C)	(D)	(E)	(E-C)/Cx100	(C-D)
Feb-16	Mar-18	Mar-16	Jan-19	9,110	2,465	11,575	8,586	11,575	0%	2,989

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 ; the contract commencing in March 2016 had a pre-tender forecast figure of £9,110,000 and was adjusted to a sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks.

This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector.

Mullalley & Co Ltd took possession of the site in March 2016 with work commencing in July 2016, having discharged the planning conditions and completing the detailed designs. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. As a result of this, additional works were required and delays of around 23-weeks have been claimed by the Contractor. Their entitlement, and other costings, were evaluated by Pellings, the Council's Employers Agents, and the variations the adjusted tender sum (£9,847,179) were agreed by Cabinet in April 2018 which included £680,000 for extension of time, £238,000 for numerous utilities and cable disconnections and reconnections, and further incidental variations amounting to £94,000.

The contractor has since verbally forecasted a further 20-week delay onto to contract time resulting in a new proposed finish date of January 2019. Pellings are currently evaluating any further liabilities that the Council may face, or any LADs that could be claimed if formalised.

The costs and dates highlighted in the report reflect the delays to the construction contract and an extension of time has been granted under the contract. Actual expenditure incurred to 30 June 2018 was £8,586,000, which includes an outstanding retention of £395,000.

Housebuilding Phase 3										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000	£'000	£'000	£'000	£'000	%	£'000
				(A)	(B)	(C)	(D)	(E)	(E-C)/Cx100	(C-D)
May-17	Sep-19	Apr-18	May-20	7,502	46	7,548	5,589	8,301	10%	1,959

Works across each of the Phase 3 house-building development sites commenced, based on the following:

Scheme	Original Contract Sum	Anticipated Final Account	Variation %	Start Date	Duration	Initial Estimated Completion Date	Revised Estimate Completion Date
Bluemans End	£753,034	£815,826	8.34%	02/05/2017	36 Weeks	06/03/2018	Completed 26/03/2018
Parklands	£716,757	£765,241	6.76%	18/04/2017	56 Weeks	24/05/2018	15/09/2018
Springfields & Centre Avenue	£1,408,126	£1,596,043	13.35%	18/04/2017	60 Weeks	21/06/2018	15/09/2018
Stewards Green	£752,340	£861,643	14.53%	22/05/2017	34 Weeks	07/03/2018	15/09/2018
London Road	£235,695	£257,642	9.31%	19/06/2017	36 Weeks	07/03/2018	Completed 07/03/2018
Centre Drive	£300,285	£366,285	21.98%	09/10/2017	36 Weeks	13/06/2018	30/09/2018
Queens Road	£2,320,493	£2,692,776	16.04%	15/10/2018	82 Weeks	11/05/2020	11/05/2020

The properties at Bluemans End and London Road were both completed in March 2018 providing 5 affordable housing units; the final account figure for both schemes will be produced half way through the defects liability period, in March 2019. The scheme at London Road has had increased costs in excess of the budget amounting to £17,406 due to the additional works, including additional fencing and landscaping works, and a provision of a photovoltaic system to assist in the heating of water, which ensured the property met the Sustainable Homes Level 4 code.

An agreement has now been put in place regarding the lease needed to divert power cables and reposition the electrical sub-station at the Queens Road site. However, the Council has recently received confirmation of asbestos which indicates further delays and costs to the scheme. The works to remove this asbestos will be instructed to take place before the contract with the developer is agreed; if there are no further delays, the start on site date for the construction works will commence in mid-October with a 82 week construction period.

The site at Stewards Green Road has also had delays due to the discovery of asbestos, cross contamination of the original site, and drainage issues. The cost implications for these works are not yet known as the works could be small in nature or may need a completely remediation of the site which could cause considerable delays and costs. Each of the sites at Parklands, Centre Avenue, Centre Drive and Springfields have had extensions of time certificate granted for their respective works. The estimated completion dates for all the sites date have been revised to September 2018. Actual expenditure incurred to 30 June 2018 was £5,589,000, which includes outstanding retentions of £159,000 and outstanding contract sums of £168,000.

**2018/19 DIRECTORATE CAPITAL MONITORING -
MAJOR SCHEMES**

Hillhouse Leisure Centre										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Jul-17	Nov-18	Jul-17	Nov-18	9,818	0	9,818	6,465	10,007	0	3,353
<p>In December 2014, the Council adopted a new Leisure and Cultural Strategy, which identified future need and the role that the District Council should play in the provision of opportunities for people to lead healthier lives, contribute to community wellbeing and provide social cohesion. At that time, leisure provision by the District Council primarily focused on four Sports/Leisure Centres at Ongar, Epping, Waltham Abbey and Loughton.</p> <p>The Council decided to replace the Waltham Abbey swimming pool, which had exceed its design life. A project team involving representatives from the District Council, Essex County Council and NHS England developed designs for a new community hub, comprising of a new leisure centre, health centre and independent living scheme for the elderly at Hillhouse. Outline planning permission for the whole community hub was granted on 30th November 2016 and in December 2016, Cabinet agreed to award Places for People Leisure Management Ltd preferred bidder status with an approved contract sum of £9,818,000.</p> <p>The facility specification included 80 station gym & work out studios, a 6 lane x 25m main pool and teaching pool and a community room (including a café and pooling viewing area). The contract commencement date was 17th July 2017 with a contract period of 70 weeks. The building works at the new centre is on schedule despite lost days due to severe winter weather, utility supplier issues and multiple changes to the original specifications. The anticipated opening date for the centre remains as 20th November 2018. The additional works and changes to the specification, including the construction of a steam room and sauna, improvement works in the public realm, electric vehicle charging points, digital marketing screens and enhanced CCTV coverage, have meant that costs are expected to increase. A report will be submitted to Cabinet in October outlining the need for an additional £189,300 to supplement the scope changes and other unforeseen expenses.</p>										
Loughton Leisure Centre										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Jan-18	Aug-18	Jan-18	Aug-18	3,018	0	3,018	1,010	2,947	0	2,008
<p>As part of the new Leisure and Cultural Strategy, improvement works to Epping, Ongar and Loughton leisure centres were also approved by Members. Improvement works to the Loughton leisure centre commenced on 19th January 2018 and included developing a brand new two-story, 150-station gym area; renovating the changing village; demolishing the crèche area "Octagon" building; re-designing the original gym into two studios, and re-designing the reception and customer viewing areas.</p> <p>Works commenced on 12th February 2018 with the demolition of the "Octagon" building. There were initial difficulties with live power cables discovered beneath the 'Octagon' building however, these were resolved without delaying the work. The refurbishment to the changing village started on 23rd April and took approximately 16 weeks to complete. The scope of the work to the changing village included more family changing cubicles, new lockers, better disabled facilities, new LED lighting and a new-and-improved shower area. The replacement of the changing village was phased to minimise disruptions to the centre users and to continue to access the pool facilities. Inevitably this led to an increase in complaints about cleaning but the contractor has revised the cleaning schedules to keep the problem to a minimum.</p> <p>The planned works within the original scope at Loughton Leisure Centre (LLC) progressed according to schedule and are expected to ultimately show a saving of £125,000. There are however additional costs from works outside the original specification amounting to £53,500, including additional security measures to combat a rise in criminal incidents and an air conditioning upgrade. A report will be submitted to Cabinet detailing these costs with a recommendation that the net effect of this (£71,500) is reduced from the current budget at LLC and transferred to cover the additional costs relating to Epping Leisure Centre (ELC) as indicated in Annex 8.</p> <p>The refurbished centre re-opened on 16th August 2018 with a formal opening ceremony scheduled for Saturday 8th September 2018 at the time of writing.</p>										

**Report to: Finance and Performance
Management Cabinet Committee**



Report reference: FPM-013-2017/18
Date of meeting: 13 September 2018

**Epping Forest
District Council**

Portfolio: Finance

Subject: Annual Outturn Report on the Treasury Management 2017/18

Responsible Officer: John Bell (01992 564387)

Democratic Services Officer: Rebecca Perrin (01992 564532)

Recommendations/Decisions Required:

(1) That Members note both the Treasury Management Outturn Report for 2017/18 shown within the appendices.

Executive Summary:

The annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity for 2017/18, and the actual Prudential Indicators for 2017/18.

During the year the Council has financed all of its capital activity through capital receipts, capital grants, internal borrowing from other revenue reserves and revenue contributions. There has been no additional external borrowing in the year to add to the £185.456m taken out previously through the Public Works Loan Board (PWLB) to finance the payment in relation to the self-financing of the HRA. The Council achieved its targets for its treasury and prudential indicators.

This report and the appendices will be considered by the Audit and Governance Committee on 24 September.

Reasons for Proposed Decision:

The report is presented for noting as scrutiny is provided by the Audit and Governance Committee who make recommendations on amending the documents, if necessary.

Other Options for Action:

Members could ask for additional information about the CIPFA Codes or the Prudential Indicators.

Report:

Introduction

1. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management), which includes the requirement for reporting on the treasury outturn on the financing and investment activity for the previous year.

2. The report attached at Appendix 1 shows the Treasury Management Outturn Report for 2017/18 in accordance with the revised CIPFA Treasury Management Code and the revised Prudential Code.

Capital activity for the year and how it was financed

3. The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through capital receipts, capital grants etc.; or
- If insufficient financing is available, or a decision is taken not to apply capital resources, the expenditure will give rise to a borrowing need.

4. Similarly to revenue expenditure, capital expenditure is split between the statutory Housing Revenue Account (HRA) and other expenditure. The actual capital expenditure and financing is shown below in the table.

	2017/18	2017/18	2017/18
Capital Expenditure	Estimated £m	Revised £m	Outturn £m
Non-HRA capital expenditure	10.747	17.010	17.475
HRA capital expenditure	28.064	23.114	20.455
Total Capital Expenditure	38.811	40.124	37.930
Financed by:			
Capital grants	1.000	0.666	0.788
Capital receipts	10.999	5.341	8.350
Revenue	24.128	17.732	15.553
Borrowing (including Internal)	2.684	16.385	13.239
Total Resources Applied	38.811	40.124	37.930
Closing balance on:			
Capital Receipts	0.198	4.136	0
Major Repairs Reserve	2.149	9.134	11.693

The impact on the Council's indebtedness for capital purposes

5. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). This figure is a gauge for the Council's debt position. The Council has previously borrowed £185.456m to finance the payment to Government for housing Self-Financing. This resulted in the Council CFR becoming an overall positive CFR (HRA and Non-HRA).

6. External borrowing has been avoided in 2017/18, partly by means of the internal borrowing between the HRA and the General Fund, and partly by utilising other General Fund reserves of £13.239m (£9.3m 2016/17). The latter is shown above as internal borrowing. However, the Council may need to borrow externally in 2018/19 to be able to fund its capital programme.

	2017/18	2017/18	2017/18
CFR	Estimated £m	Revised £m	Outturn £m
Non-HRA	52.3	50.0	52.0
HRA	155.1	155.1	155.1
Closing balance	207.4	205.1	207.1

7. The Council's policy on Minimum Revenue Provision (MRP), a mechanism for the amount to be set aside from revenue for the repayment of the debt principal, was approved by Council on 21 February 2017.

8. The Authority's CFR at 31 March 2012 became positive as a result of Housing self-financing. This would normally require the local authority to charge MRP to the General Fund in respect of non-HRA capital expenditure funded from borrowing. CLG has produced regulations to mitigate this impact and as such under Option 2 (the CFR method) there is no requirement to charge MRP.

The Council's overall treasury position

9. The table below shows the Council's treasury position for 2017/18. The total investments are all Short Term (i.e. less than 364 days).

Treasury position	31/3/2017 £m	31/3/2018 £m
Total external Debt	185.46	185.46
Total Investments	43.68	24.57
Net Borrowing	(141.78)	(160.89)

Prudential Indicators

10. The Council confirmed its adoption of the CIPFA Code of Treasury Management at its Council meeting on 21 February 2017. The Code was originally adopted on 22 April 2002.

- a) **Authorised Limit** – This is the maximum amount of external debt that can be outstanding at one time during the financial year.
- b) **Operational Boundary** – This is set to reflect the Council's best view of the most likely prudent (i.e. not worst case) levels of borrowing activity for the financial year.
- c) **Upper Limits for Interest Rate Exposure** – This allows the Council to manage the extent to which it is exposed to changes in interest rate.
- d) **Maturity Structure of Fixed Rate Borrowing** – This is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.
- e) **Total principal sums invested for periods longer than 364 days** – This is to allow the Council to manage the risk inherent in investments longer than 364 days.

11. The table below shows the outturn against the strategy.

	2017/18 TMSS	2017/18 Outturn
a) Authorised limit	£250m	£185.456m
b) Operational boundary	£240m	£185.456m
c) Upper limits for fixed rate exposure		
- Debt	100%	83%
- Investment	(100%)	(35)%
Upper limits for variable rate exposure		
- Debt	25%	17%
- Investment	(75%)	(65)%
d) Maturity structure of fixed rate borrowing		
- Under 12 months	0% - 100%	0%
- 1 year to 5 years	0% - 100%	0%
- 6 years to 10 years	0% - 100%	0%
- 11 years to 20 years	0% - 100%	19%
- 21 years to 30 years	0% - 100%	81%
e) Total principal sums invested for periods longer than 364 days	£15m	£0m

Resource Implications:

Interest rates stayed low throughout 2017/18 which resulted in the investment interest of £101,000. The outturn was in line with the revised estimate of £103,000.

Legal and Governance Implications:

The Council's treasury management activities are regulated by a variety of professional codes, statutes and guidance:

- The Local Government Act 2003 (the Act), which provides the powers to borrow and invest as well as providing controls and limits on this activity;
- The Act permits the Secretary of State to set limits either on the Council or nationally on all local authorities restricting the amount of borrowing which may be undertaken (although no restrictions were made in 2015/16);
- Statutory Instrument (SI) 3146 2003, as amended, develops the controls and powers within the Act;
- The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities;
- The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services;
- Under the Act the ODPM (now DCLG) has issued Investment Guidance to structure and regulate the Council's investment activities.
- Under section 21(1) AB of the Local Government and Public Involvement in Health Act 2007 the Secretary of State has taken powers to issue guidance on accounting practices. Guidance on Minimum Revenue Provision was issued under this section on 8 November 2007.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Council's external Treasury advisors provided the framework for this report and have confirmed that the content satisfies all regulatory requirements.

Background Papers:

The report on the Council's Prudential Indicators for 2016/17 and the Treasury Management Strategy for 2016/17 which was approved by Council on 18 February 2016.

Risk Management:

As detailed in the appendices, a risk aware position is adopted to minimise the chance of any loss of the capital invested by the Council.

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.

No groups of people are affected by this report which is not directly service related.

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Treasury Management Outturn Report 2017/18

Introduction

In April 2002 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year.

This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.

The Authority's treasury management strategy for 2017/18 was approved at a meeting on 21 February 2017. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

External Context

Economic commentary

2017-18 was characterised by the push-pull from expectations of tapering of Quantitative Easing (QE) and the potential for increased policy rates in the US and Europe and from geopolitical tensions, which also had an impact.

The UK economy showed signs of slowing with latest estimates showing GDP, helped by an improving global economy, grew by 1.8% in calendar 2017, the same level as in 2016. This was a far better outcome than the majority of forecasts following the EU Referendum in June 2016, but it also reflected the international growth momentum generated by the increasingly buoyant US economy and the re-emergence of the Eurozone economies.

The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering. The labour market showed resilience as the unemployment rate fell back to 4.3% in January 2018. The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020. The Withdrawal Treaty is yet to be ratified by the UK parliament and those of the other 27 EU member states and new international trading arrangements are yet to be negotiated and agreed.

The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017. It was significant in that it was the first rate hike in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February *Inflation Report* indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely.

In contrast, economic activity in the Eurozone gained momentum and although the European Central

Bank removed reference to an 'easing bias' in its market communications and had yet to confirm its QE intention when asset purchases end in September 2018, the central bank appeared some way off normalising interest rates. The US economy grew steadily and, with its policy objectives of price stability and maximising employment remaining on track, the Federal Reserve Open Market Committee (FOMC) increased interest rates in December 2017 by 0.25% and again in March, raising the policy rate target range to 1.50% - 1.75%. The Fed is expected to deliver two more increases in 2018 and a further two in 2019. However, the imposition of tariffs on a broadening range of goods initiated by the US, which has led to retaliation by China, could escalate into a deep-rooted trade war having broader economic consequences including inflation rising rapidly, warranting more interest rate hikes.

Financial markets: The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69% and at 31st March 2018 were 0.43%, 0.72% and 1.12% respectively.

Gilt yields displayed significant volatility over the twelve-month period with the change in sentiment in the Bank of England's outlook for interest rates. The yield on the 5-year gilts which had fallen to 0.35% in mid-June rose to 1.65% by the end of March. 10-year gilt yields also rose from their lows of 0.93% in June to 1.65% by mid-February before falling back to 1.35% at year-end. 20-year gilt yields followed an even more erratic path with lows of 1.62% in June, and highs of 2.03% in February, only to plummet back down to 1.70% by the end of the financial year.

The FTSE 100 had a strong finish to calendar 2017, reaching yet another record high of 7688, before plummeting below 7000 at the beginning of 2018 in the global equity correction and sell-off.

Credit background:

Credit Metrics

In the first quarter of the financial year, UK bank credit default swaps reached three-year lows on the announcement that the Funding for Lending Scheme, which gave banks access to cheaper funding, was being extended to 2018. For the rest of the year, CDS prices remained broadly flat.

The rules for UK banks' ring-fencing were finalised by the Prudential Regulation Authority and banks began the complex implementation process ahead of the statutory deadline of 1st January 2019. As there was some uncertainty surrounding which banking entities the Authority would be dealing with once ring-fencing was implemented and what the balance sheets of the ring-fenced and non ring-fenced entities would look like, in May 2017 Arlingclose advised adjusting downwards the maturity limit for unsecured investments to a maximum of 6 months. The rating agencies had slightly varying views on the creditworthiness of the restructured entities.

Barclays was the first to complete its ring-fence restructure over the 2018 Easter weekend; wholesale deposits including local authority deposits will henceforth be accepted by Barclays Bank plc (branded Barclays International), which is the non ring-fenced bank.

Money Market Fund regulation: The new EU regulations for Money Market Funds (MMFs) were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility Net Asset Value (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Credit Rating developments

The most significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities.

Changes to credit ratings included Moody's downgrade of Standard Chartered Bank's long-term rating to A1 from Aa3 and the placing of UK banks' long-term ratings on review to reflect the impending ring-fencing of retail activity from investment banking (Barclays, HSBC and RBS were on review for downgrade; Lloyds Bank, Bank of Scotland and National Westminster Bank were placed on review for upgrade).

Standard & Poor's (S&P) revised upwards the outlook of various UK banks and building societies to positive or stable and simultaneously affirmed their long and short-term ratings, reflecting the institutions' resilience, progress in meeting regulatory capital requirements and being better positioned to deal with uncertainties and potential turbulence in the run-up to the UK's exit from the EU in March 2019. The agency upgraded Barclays Bank's long-term rating to A from A- after the bank announced its plans for its entities post ring-fencing.

Fitch revised the outlook on Nationwide Building Society to negative and later downgraded the institution's long-term ratings due to its reducing buffer of junior debt. S&P revised the society's outlook from positive to stable.

S&P downgraded Transport for London to AA- from AA following a deterioration in its financial position.

Other developments:

In February, Arlingclose advised against lending to Northamptonshire County Council (NCC). NCC issued a section 114 notice in the light of severe financial challenge and the risk that it would not be in a position to deliver a balanced budget.

In March, following Arlingclose's advice, the Authority removed RBS plc and National Westminster Bank from its counterparty list. This did not reflect any change to the creditworthiness of either bank, but a tightening in Arlingclose's recommended minimum credit rating criteria to A- from BBB+ for FY 2018-19. The current long-term ratings of RBS and NatWest do not meet this minimum criterion, although if following ring-fencing NatWest is upgraded, the bank would be reinstated on the Authority's lending list.

Local Authority Regulatory Changes

Revised CIPFA Codes: CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Code are being incorporated into Treasury Management Strategies and monitoring reports.

The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions.

A capital strategy is in the process of being produced and will be available for Member approval at the

same time as the updated Treasury Management Strategy in February 2019.

In the 2017 Treasury Management Code the definition of ‘investments’ has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is to be identified and reported.

MHCLG Investment Guidance and Minimum Revenue Provision (MRP): In February 2018 the MHCLG (Ministry of Housing, Communities and Local Government) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP).

Changes to the Investment Guidance include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called “loans” (e.g. temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should yields on investments fall.

The definition of prudent MRP has been changed to “put aside revenue over time to cover the CFR”; it cannot be a negative charge and can only be zero if the CFR is nil or negative. Guidance on asset lives has been updated, applying to any calculation using asset lives. Any change in MRP policy cannot create an overpayment; the new policy must be applied to the outstanding CFR going forward only.

MiFID II: As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3 January 2018 local authorities were automatically treated as retail clients but could “opt up” to professional client status, providing certain criteria was met which includes having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the authority have at least a year’s relevant professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The Authority has met the conditions to opt up to professional status and has done so in order to maintain its erstwhile MiFID II status prior to January 2018. The Authority will continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

Local Context

On 31st March 2018, the Authority had net borrowing of £162.9m arising from its revenue and capital income and expenditure, an increase on 2017 of £21.1m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.17 Actual £m	2017/18 Movement £m	31.3.18 Actual £m
General Fund CFR	31.0	22.1	53.1
HRA CFR	154.0	0.0	154.0
Total CFR	185.0	22.1	207.1
Less: Internal Borrowing	0.0	-22.1	-22.1
Borrowing CFR	185.0	0.0	185.0
Less: Usable reserves	-43.9	1.7	-42.2
Less: Working capital	-2.0	1.9	-0.1
Net worth	139.1	3.6	143.2

Table 2: Treasury Management Summary

	31.3.17 Balance £m	2017/18 Movement £m	31.3.18 Balance £m	31.3.18 Rate %
Long-term borrowing	185.5	0.0	185.5	2.97
Total borrowing	185.5	0.0	185.5	
Long-term investments	2.4	-0.8	1.6	4.18
Short-term investments	25.0	-17.0	8.0	0.46
Cash and cash equivalents	16.3	-3.3	13.0	0.28
Total investments	43.7	-21.1	22.6	
Net borrowing	141.8	-21.1	162.9	

Note: the figures in the tables are from the balance sheet in the Authority's statement of accounts, but adjusted to exclude operational cash, accrued interest and other accounting adjustments

Net borrowing has increased due to falls in usable reserves and working capital. As investment balances are being used to fund the capital programme no additional borrowing was required.

The Authority's current strategy is to maintain a minimum investment balance of £10m with a view to borrowing to fund the rest of the house building programme probably later in 2018. The treasury management position as at 31 March 2018 and the year-on-year change in show in table 2 above.

Borrowing Activity

Table 3: Borrowing Position

	31.3.17 Balance £m	2017/18 Movement £m	31.3.18 Balance £m	31.3.18 Rate %	31.3.18 WAM* years
Public Works Loan Board	185.5	0.0	185.5	2.97	18.97

*Weighted average maturity

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In furtherance of these objectives, no new borrowing was undertaken in 2017/18 as the capital programme has been funded using available internal resources. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

Investment Activity

The Authority holds significant invested funds, representing balances and reserves held. During 2016/17, the Authority's investment balances have been falling due to funding the capital programme. The year-end investment position and the year-on-year change in show in table 4 below.

Table 4: Investment Position (Treasury Investments)

	31.3.17 Balance £m	2017/18 Movement £m	31.3.18 Balance £m	31.3.18 Rate %	31.3.18 WAM* days
Loan to Waste Collection Contractor	2.4	-0.7	1.7	4.2	39.8
Banks & building societies (unsecured)	16.3	-9.3	7.0	0.5	3.4
Government (incl. local authorities)	15.0	-10.0	5.0	0.4	18.2
Money Market Funds	10.0	0.0	10.0	0.4	1.0
Total investments	43.7	-20.0	23.7		

*Weighted average maturity

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

In furtherance of these objectives, and given the increasing risk and falling returns from short-term unsecured bank investments, the Authority has kept investment balances short term in line with the cash flow so as to enable funds to be available when required by operational and capital requirements.

Table 5: Investment Benchmarking

	Credit Score	Credit Rating	Bail-in Exposure	WAM* (days)	Rate of Return
31.03.2017	3.97	AA-	60%	47	0.99%
30.06.2017	3.98	AA-	66%	45	0.89%
30.09.2017	4.31	AA-	64%	40	0.89%
31.12.2017	4.23	AA-	61%	41	0.92%
31.03.2018	4.03	AA-	55%	35	1.05%
All LAs	4.12	AA-	61%	98	1.37%

*Weighted average maturity

The table above shows how the Council is performing with its investments, and as can be seen performance is commensurate with other Local Authorities, with the exception of the Rate of Return. This is due to this Council keeping investments shorter, 47 days invested against other Local Authorities 137 days, which gives rise to lower interest rates received.

The Council set itself targets of 7 or below for the credit score and A- or higher for the credit rating and the table above shows both these targets were achieved.

Financial Implications

The outturn for debt interest paid in 2017/18 was £5.5 million on an average debt portfolio of £185.5 million against a budgeted £5.5 million on an average debt portfolio of £185.5 million at an average interest rate of 2.97%.

The outturn for investment income received in 2017/18 was £100,895 on an average debt portfolio of £22.6 million against a budgeted £102,890 on an average investment portfolio of £26 million at an average interest rate of 0.39%.

Other Non-Treasury Holdings and Activity

Although not classed as treasury management activities, the 2017 CIPFA Code now requires the Authority to report on investments for policy reasons outside of normal treasury management. This includes service investments for operational and/or regeneration as well as commercial investments which are made mainly for financial reasons. The Authority holds £1.58m of investments in the Waste Collection and Street Cleansing contractor's vehicles. This would enable the Council to have first call on the vehicles if the contractor was to enter receivership and enable it to carry on the services without further costs being incurred. The value represents a decrease of £0.8m on the previous year due to repayments being made by the contractor.

A register of assets purchased with the loans is maintained on the asset management system and reviewed annually as part of the Authority's performance reporting arrangements.

These non-treasury investments generated £99,000 of investment income for the Authority after taking account of direct costs, representing a rate of return of 4.2%. This is higher than the return earned on treasury investments but reflects the additional risks to the Authority of holding such investments.

Performance Report

The Authority measures the financial performance of its treasury management activities both in terms of its impact on the revenue budget and its relationship to benchmark interest rates, as shown in table 6 below.

Table 6: Performance

	Actual £'000	Budget £'000	Over/ (under)	Actual %	Benchmark %
Temporary Loan Interest	58.8	68.7	9.9	0.39%	0.38%
Money Market Funds Interest	42.1	34.2	(7.9)	0.32%	0.19%
Loan to Contractor	99.0	99.0	0.0	5.00%	5.00%
Total investments	100.9	102.9	2.0		
Fixed Rate Interest	5,348.3	5,348.3	0.0	3.48%	3.48%
Variable Rate Interest	161.4	175.7	(14.3)	0.50%	0.48%
Total debt	5,509.7	5,524.0	(14.3)		
GRAND TOTAL	5,408.8	5,421.1	(12.3)	n/a	n/a

Compliance Report

The Assistant Director of Resources is pleased to report that all treasury management activities undertaken during 2017/18 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	2017/18 Maximum £m	31.3.18 Actual £m	2017/18 Operational Boundary £m	2017/18 Authorised Limit £m	Complied
Borrowing	185.5	185.5	240.0	250.0	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and is not counted as a compliance failure.

Table 8: Investment Limits

	2017/18 Maximum	31.3.18 Actual	Complied
Any single organisation, except the UK Central Government	£5m (each)	£5m (Lloyds and Santander)	✓
UK Central Government	Unlimited	Nil	✓
Local Authorities	£25m (in total)	£15m	✓
Any group of organisations under the same ownership	£5m (per group)	£5m (Lloyds)	✓
Any group of pooled funds under the same management	£10m (per manager)	Nil	✓

Negotiable instruments held in a broker's nominee account	£15m (per broker)	£6m BGC Partners	✓
Foreign countries	£5m (per Country)	Nil	✓
Registered Providers	£10m (in total)	Nil	✓
Unsecured investments with Building Societies	£5m (in total)	£1m	✓
Loans to unrated corporates	£5m	Nil	✓
Money Market Funds	£20m (in total)	£19m	✓

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.18 Actual	2017/18 Target	Complied
Portfolio average credit rating	A-	A-	✓

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	31.3.18 Actual	2017/18 Target	Complied
Total cash available within 3 months	£15m	£15m	✓

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed was:

	31.3.18 Actual	2017/18 Limit	Complied
Upper limit on fixed interest rate exposure	82.86%	100%	✓
Upper limit on variable interest rate exposure	17.14%	75%	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31.3.18 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	0%	100%	0%	✓
12 months and within 24 months	0%	100%	0%	✓
24 months and within 5 years	0%	100%	0%	✓
5 years and within 10 years	0%	100%	0%	✓
10 years and above	100%	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2017/18	2018/19	2019/20
Actual principal invested beyond year end	Nil	Nil	Nil
Limit on principal invested beyond year end	£15m	£5m	£5m
Complied	✓	✓	✓