

# Committee Agenda



**Epping Forest  
District Council**

## ***Finance and Performance Management Cabinet Committee Thursday, 21st March, 2013***

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

**Committee Room 1, Civic Offices, High Street, Epping  
on Thursday, 21st March, 2013  
at 6.00 pm .**

**Glen Chipp  
Chief Executive**

**Democratic Services  
Officer**

Gary Woodhall  
The Office of the Chief Executive  
Tel: 01992 564470  
Email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

### **Members:**

Councillors Ms S Stavrou (Chairman), R Bassett, D Stallan, G Waller and C Whitbread

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<p><b>PLEASE NOTE THE START TIME OF THIS MEETING</b></p>
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### **1. WEBCASTING INTRODUCTION**

The Chairman will read the following announcement:

“I would like to remind everyone present that this meeting will be recorded for subsequent repeated viewing on the Internet and copies of the recording could be 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 the possibility that your image will become part of the broadcast.

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

Please could I also remind members to put on their microphones before speaking by pressing the button on the microphone unit”

**2. APOLOGIES FOR ABSENCE**

(Assistant to the Chief Executive) To be declared at the meeting.

**3. DECLARATIONS OF INTEREST**

(Assistant to the Chief Executive) To declare interests in any item on this agenda.

**4. MINUTES**

To confirm the minutes of the last meeting of the Committee held on 24 January 2013 (previously circulated).

**5. KEY PERFORMANCE INDICATORS 2012/13 AND 2013/14 (Pages 5 - 26)**

(Deputy Chief Executive) To consider the attached report (FPM-023-2012/13).

**6. DRAFT AUDIT PLAN 2013-14 (Pages 27 - 32)**

(Chief Internal Auditor) To consider the attached report (FPM-025-2013/14).

**7. RISK MANAGEMENT - CORPORATE RISK REGISTER AND RISK MANAGEMENT DOCUMENTS (Pages 33 - 66)**

(Director of Finance & ICT) To consider the attached report (FPM-024-2012/13).

**8. QUARTERLY FINANCIAL MONITORING - OCTOBER TO DECEMBER 2012 (Pages 67 - 92)**

(Director of Finance & ICT) To consider the attached report (FPM-026-2012/13).

**9. ANY OTHER BUSINESS**

Section 100B(4)(b) of the Local Government Act 1972, together with paragraphs 6 and 25 of the Council Procedure Rules contained in the Constitution require 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.

In accordance with Operational Standing Order 6 (non-executive bodies), any item raised by a non-member shall require the support of a member of the Committee concerned and the Chairman of that Committee. Two weeks' notice of non-urgent items is required.

**10. 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.

#### Confidential Items Commencement

Paragraph 9 of the Council Procedure Rules contained in the Constitution require:

- (1) All business of the Council requiring to be transacted in the presence of the press and public to be completed by 10.00 p.m. at the latest.
- (2) At the time appointed under (1) above, the Chairman shall permit the completion of debate on any item still under consideration, and at his or her discretion, any other remaining business whereupon the Council shall proceed to exclude the public and press.
- (3) Any public business remaining to be dealt with shall be deferred until after the completion of the private part of the meeting, including items submitted for report rather than decision.

#### Background Papers

Paragraph 8 of the 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 (as defined in Rule 10) and in respect of executive reports, the advice of any political advisor.

Inspection of background papers may be arranged by contacting the officer responsible for the item.

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### **Report to the Finance and Performance Management Cabinet Committee**

**Report Reference: FPM-023-2012/13.**

**Date of Meeting: 21 March 2013**

**Portfolio: Finance and Economic Development**

**Subject: Key Performance Indicators 2012/13 and 2013/14**

**Responsible Officer: Steve Tautz (01992 564180)**

**Democratic Services: Jackie Leither (01992 564532)**

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

**(1) That, subject to the views of the Finance and Performance Management Scrutiny Panel:**

**(a) the proposed Key Performance Indicators (KPI) and targets for 2013/14 be agreed; and**

**(b) no specific corporate KPI performance target be set for 2013/14.**

#### **Executive Summary:**

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

As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's services and key objectives are adopted each year. Performance against the KPIs is monitored on a quarterly or annual basis as appropriate, and has previously been an inspection theme in external judgements of the overall performance of the authority.

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

KPIs are used as performance measures to assess progress against the Council's key objectives. It is important that relevant performance management processes are in place to review and monitor performance against the key objectives, to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

#### **Other Options for Action:**

No other options are appropriate in this respect. Failure to identify challenging performance targets, could mean that opportunities for improvement are lost and might have negative implications for judgements made about the progress of the Council.

## Report:

1. A range of thirty-two Key Performance Indicators (KPI) for 2012/13 was adopted by the Committee in March 2012, and a target was set for at least 70% of the indicators to achieve target performance by the end of the year. Summary details of the KPIs for the year is attached as Appendix 1 to this report.

2. The KPIs are important to the improvement of the Council's services and the achievement of its key objectives, and comprise a combination of former statutory indicators and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the national priorities and local challenges arising from the social, economic and environmental context of the district, that are the focus of the key objectives. Progress in respect of the majority (27) of the KPIs is reported to the Scrutiny Panel, Management Board and the relevant Portfolio Holder at the conclusion of each quarter. Performance in relation to the remaining KPIs is currently subject to scrutiny at year-end only. These annually reported indicators are identified in Appendix 1.

3. Improvement plans are produced for each of the KPIs each year, setting out actions to be implemented in order to achieve target performance, and to reflect changes in service delivery. In view of the corporate importance attached to the KPIs, the improvement plans are considered and agreed by Management Board in the first instance, and are subject to ongoing review between the relevant service director and Portfolio Holder over the course of the year.

### Key Performance Indicators 2012/13 – Quarter 3 Performance

4. The position with regard to the achievement of target performance for the KPIs at the end of the third quarter was as follows:

- (a) 15 (55.6%) indicators achieved the cumulative third quarter target; and
- (b) 12 (44.4%) indicators did not achieve the cumulative third target.

5. In terms of year-end performance for the KPIs, service directors have predicted the following outturn position on the basis of third-quarter performance:

- (a) 13 (48.1%) indicators are anticipated to achieve the year-end performance target;
- (b) 7 (25.9%) indicators are not anticipated to achieve the year-end performance target; and
- (c) the achievement of the year-end performance target for 7 (25.9%) indicators is uncertain.

6. Detailed cumulative performance reports for each of the quarterly monitored KPIs for 2012/13 were considered by the Finance and Performance Management Scrutiny Panel on 12 March 2013.

### Key Performance Indicators 2013/14 – Targets

7. The continued relevance of the existing KPI set has recently been considered by Management Board. Although revisions to some indicators are proposed, it is not intended that significant changes will be made to the KPIs for 2013/14. Service directors have also identified provisional targets for each indicator with the relevant Portfolio Holder, based on third-quarter performance (and the estimated outturn position) for the current year. Details of the proposed KPIs and targets for 2013/14, are set out at Appendix 2.

8. It is intended that performance against all KPIs will in future be monitored and reported on a quarterly basis. There are now no indicators where performance is specifically designed to be reported on an annual basis, and a majority of KPI targets can be profiled to reflected quarterly trends.

9. The KPIs will comprise the totality of the Council's formal performance indicator measures for 2012/13. Improvement plans will be developed for each KPI, identifying actions to achieve target performance, which will be considered and agreed by Management Board. As part of this process, the Board will also review the provisional targets for each KPI with reference to outturn data for 2012/13 when this available. Any revisions to targets on the basis of the outturn position, will be reported to the Committee and the Finance and Performance Management Scrutiny Panel in June 2013.

10. It is not yet known whether the Council's overall aim of achieving target performance for at least 70% of the KPIs for 2012/13 will be achieved. However, as the Council's draft key objectives for 2013/14 seek the achievement of targets for all objectives and indicators, Management Board has recommended that a specific corporate KPI performance improvement target not be set for 2013/14.

11. The Committee is requested to agree the proposed KPIs and targets for 2013/14. These were also be considered by the Finance and Performance Management Scrutiny Panel at its recent meeting, and the views of the Scrutiny Panel in this respect will be reported to the Committee.

#### **Resource Implications:**

Resource requirements for actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer and reflected in the budget for the year.

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

There are no legal or governance implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer.

#### **Safer, Cleaner, Greener Implications:**

There are no implications arising from the recommendations of this report in respect of the Council's commitment to the Climate Local Agreement, the corporate Safer, Cleaner, Greener initiative, or any crime and disorder issues within the district. Relevant implications arising from actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer.

#### **Consultation Undertaken:**

The performance information and targets set out in this report have been submitted by each appropriate service director. The individual KPI improvement plans for 2012/13 have previously been considered and agreed by Management Board.

#### **Background Papers:**

Third quarter KPI submissions held by the Performance Improvement Unit. KPI calculations and supporting documentation held by respective service directorates

## **Impact Assessments:**

### Risk Management

There are no risk management issues arising from the recommendations of this report. Relevant issues arising from actions to achieve specific KPI performance for 2012/13, will have been identified by the responsible service director/chief officer.

### Equality

There are no equality implications arising from the recommendations of this report. Relevant implications arising from actions to achieve specific KPI performance for 2012/13 will have been identified by the responsible service director/chief officer.



### Key Performance Indicators 2012/13

Directorate	KPI Ref. No.	Description	2009/10 Outturn	2010/11 Outturn	2011/12 Outturn	Target 2012/13	Reporting Frequency	Portfolio
Deputy Chief Executive	KPI 04	What percentage of visitors to the council website were satisfied with their experience?			82.00%	70.00%	Performance reported annually	Support Services Portfolio Holder
Corporate Support Services	KPI 10	How many working days did we lose due to sickness absence?	8.35 days	7.86 days	7.58 days	7.50 days	Performance reported quarterly	Support Services Portfolio Holder
	KPI 11	What percentage of the rent we were due to be paid for our commercial premises was not paid?	4.3%	3.1%	2.66%	3.0%	Performance reported annually	Asset Management & Economic Development Portfolio Holder
	KPI 12	What percentage of our commercial premises was let to tenants?	97.63%	97.63%	98.30%	98.00%	Performance reported annually	Asset Management & Economic Development Portfolio Holder
Environment & Street Scene	KPI 20	How much non-recycled waste was collected for every household in the district?	447.00	392kg	383kg	395kg	Performance reported quarterly	Environment Portfolio Holder
	KPI 21	What percentage of all household waste was sent to be recycled, reused or composted?	51.17%	59.14%	60.03%	60.00%	Performance reported quarterly	Environment Portfolio Holder
	KPI 22	What percentage of our district had unacceptable levels of litter?	11.00%	9.00%	7.00%	9.00%	Performance reported quarterly	Environment Portfolio Holder
	KPI 23	What percentage of our district had unacceptable levels of detritus (dust, mud, stones, rotted leaves, glass, plastic etc.)?	13.00%	11.00%	10.00%	12.00%	Performance reported quarterly	Environment Portfolio Holder
	KPI 24	How well have we done in both reducing flytipping and taking action against those believed to be responsible?	Grade 3	Grade 3	Grade 1	Grade 2	Performance reported quarterly	Environment Portfolio Holder
	KPI 25	What percentage of the issues and complaints received by the Environment & Neighbourhoods Team received an initial response within 3 days?	97.09%	96.60%	96.20%	95.00%	Performance reported quarterly	Environment Portfolio Holder
Finance & ICT	KPI 30	What percentage of the invoices we received were paid within 30 days?	98.00%	97.00%	93.00%	97.00%	Performance reported quarterly	Finance & Technology Portfolio Holder
	KPI 31	What percentage of the district's annual Council Tax was collected?	97.48%	97.85%	97.81%	97.80%	Performance reported quarterly	Finance & Technology Portfolio Holder
	KPI 32	What percentage of the district's annual business rates was collected?	97.56%	97.47%	97.26%	97.50%	Performance reported quarterly	Finance & Technology Portfolio Holder
	KPI 33	On average, how many days did it take us to process new benefit claims?	33.41 days	22.96 days	27.45	30 days	Performance reported quarterly	Finance & Technology Portfolio Holder
	KPI 34	On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?	4.85 days	4.67 days	5.37 days	8.00 days	Performance reported quarterly	Finance & Technology Portfolio Holder
	KPI 35	How many benefits fraud investigations were completed by the Council?	285	301	525	150	Performance reported quarterly	Finance & Technology Portfolio Holder

Directorate	KPI Ref. No.	Description	2009/10 Outturn	2010/11 Outturn	2011/12 Outturn	Target 2012/13	Reporting Frequency	Portfolio
Housing	KPI 40	What percentage of the rent due from our council home tenants was paid?	97.74%	98.14%	97.68%	97.00%	Performance reported annually	Housing Portfolio Holder
	KPI 41	On average, how many days did it take us to re-let a Council property?	28 days	31 days	34 days	30 days	Performance reported quarterly	Housing Portfolio Holder
	KPI 42	What percentage of emergency repairs to council properties were completed within 24 hours?	97.00%	98.00%	99.00%	99.00%	Performance reported quarterly	Housing Portfolio Holder
	KPI 43	What percentage of urgent repairs to council properties were completed within five working days?	93.00%	69.00%	90.00%	95.00%	Performance reported quarterly	Housing Portfolio Holder
	KPI 44	What percentage of routine repairs to council properties were completed within six weeks?	95.00%	92.00%	96.00%	95.00%	Performance reported quarterly	Housing Portfolio Holder
	KPI 45	How satisfied were our tenants with the standard of the repairs service they received?	98.51%	99.00%	99.45%	98.00%	Performance reported quarterly	Housing Portfolio Holder
	KPI 46	How many affordable homes were built in the District?	63	151	43	34	Performance reported quarterly	Housing Portfolio Holder
	KPI 47	How many households were housed in temporary accommodation?	46	47	63	60	Performance reported quarterly	Housing Portfolio Holder
	KPI 48	What percentage of council homes were not in a decent condition?	0.00%	0.00%	0.00%	0.00%	Performance reported quarterly	Housing Portfolio Holder
Planning & Economic Development	KPI 50	What was the net increase or decrease in the number of homes in the district?	176	356	304	180	Performance reported quarterly	Planning Portfolio Holder
	KPI 51	What percentage of major planning applications were processed within 13 weeks?	67.86%	84.62%	78.38%	81.00%	Performance reported quarterly	Planning Portfolio Holder
	KPI 52	What percentage of minor planning applications were processed within 8 weeks (delegated decisions only)?	79.67%	80.55%	71.68%	89.00%	Performance reported quarterly	Planning Portfolio Holder
	KPI 53	What percentage of other planning applications were processed within 8 weeks (delegated decisions only)?	93.05%	92.21%	90.30%	94.00%	Performance reported quarterly	Planning Portfolio Holder
	KPI 54	What percentage of planning applications recommended by planning officers for refusal were overturned and granted permission following an appeal (a lower figure is better and is expressed as a percentage of the number of appeals lodged)?			19.35%	19.00%	Performance reported quarterly	Planning Portfolio Holder

Directorate	KPI Ref. No.	Description	2009/10 Outturn	2010/11 Outturn	2011/12 Outturn	Target 2012/13	Reporting Frequency	Portfolio
	KPI 55	What percentage of planning applications, refused by Council Members against the recommendation of the planning officers, were granted permission following an appeal (a lower figure is better and is expressed as a percentage of the number of appeals lodged)?			50.00%	50.00%	Performance reported quarterly	Planning Portfolio Holder
	KPI 56	How much of the land required to meet our house building needs over the next five years was available to be delivered over the next five years?	164.76%	144.00%	136.01%	100.00%	Performance reported annually	Planning Portfolio Holder

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## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Office of the Deputy Chief Executive	<b>KPI 04</b>	What percentage of visitors to the council website were satisfied with their experience?  Corporate Comment: <b>Indicator to be retained but changed to a quarterly indicator</b>	70%	Annually reported	77%	Yes	Epping Forest DC's website has been measured for satisfaction of web users since the new site was launched in July 2012. To date the level of satisfaction stands at 74%. Currently, the overall level of satisfaction for all district councils is 77% and it is proposed that this be adopted as a target for Epping Forest in 2013-14.

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Corporate Support Services	<b>KPI 10</b>	How many working days did we lose due to sickness absence?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	7.50 days	5.21 days	7.25 days	Yes	The average number of days per employee recording sickness absence has reduced over the past 2 years and the Council has met its target in both years. Reducing the target by 0.25 days to 7.25 days will be a challenge, but with continued monitoring and management of absence the new target could be met.
	<b>KPI 11</b>	What percentage of the rent we were due to be paid for our commercial premises was not paid?  Corporate Comment: <b>Indicator to be retained but changed to a quarterly indicator</b>	3.0%	Annually reported	3.00%	No	The target of 3% has been in place since 2009/10. Whilst the target was not met in years 2009/10 (4.3%) and 2010/11 (3.1%) it was exceeded in 2011/12 (2.66%). There has been a year on year improvement . In the current economic climate any target set must be realistic. The average level of arrears over the three year period was 3.35% so leaving the target at 3.00% for 2013/14 would seem appropriate. Negotiated arrangements with some tenants to pay arrears over a period of time will have an effect on the collection performance, but this is seen as a better option than properties becoming vacant and having to be relet.
	<b>KPI 12</b>	What percentage of our commercial premises was let to tenants?  Corporate Comment: <b>Indicator to be retained but changed to a quarterly indicator</b>	98.00%	Annually reported	98.00%	No	The target for the years 2009/10 to 2011/12 was 99%. Performance varied between 97.63% in 2009/10 and 2010/11 and 98.3% in 2011/12. In view of the downturn in the economic climate the target was reduced to 98% for 2012/13. The occupancy rate of 98.3% in 2011/12 equated to 290 properties occupied out of a total of 295 properties in the portfolio. The average occupancy rate over the three year period 2009/10 to 2011/12 was 97.85% so leaving the target at 98% for 2013/14 would seem appropriate.

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Environment & Street Scene	<b>KPI 20</b>	How much non-recycled waste was collected for every household in the district?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	395kg	252kg	380kg	Yes	This target will need to be reconsidered based upon the actual Q4 outturn. Q3 was 'abnormally' good and therefore it is likely that performance will fall back in Q4 - the question is to what degree? The best way of reviewing this is to await the Q4 outturn and then set a target for 2013/14.
	<b>KPI 21</b>	What percentage of all household waste was sent to be recycled, reused or composted?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	60.0%	64.0%	60.00%	No	
	<b>KPI 22</b>	What percentage of our district had unacceptable levels of litter?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	9%	6.00%	8.00%	Yes	

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Environment & Street Scene	KPI 23	<p>What percentage of our district had unacceptable levels of detritus (dust, mud, stones, rotted leaves, glass, plastic etc.)?</p> <p>Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b></p>	12%	10%	12.00%	No	Street cleansing performance remains good, but can vary due to a number of circumstances outside of our control, for example the condition of the highway and weather. It is however considered prudent, given the performance throughout the year, to retain the target at 12% to reflect the rural nature of the district (i.e. no kerbs to highways), whilst retaining some pressure on the contractor to maintain current performance levels.
	KPI 24	<p>How well have we done in both reducing flytipping and taking action against those believed to be responsible?</p> <p>Corporate Comment: <b>This indicator to be deleted and replaced with an alternative version.</b></p>	Grade 2	Grade 3	To be replaced by new indicator (see below)	N/A	The current indicator is very unwieldy, complex to calculate and arguably does not provide a useful performance comparison. The important issue for residents is not just whether fly tips arise but whether they are cleared and where practicable, investigated, since it is this, and the legal action which may follow, which provides the eventual deterrent. <b>(See below for suggested new indicator)</b>
	KPI 25	<p>What percentage of the issues and complaints received by the Environment &amp; Neighbourhoods Team received an initial response within 3 days?</p> <p>Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b></p>	95%	96.3%	95%	No	A response rate to public complaints of 95% within 3 days remains a very high level of response, which is often bettered as can be seen by the Q3 outturn. However, it would take very little for that performance to come under pressure, such as staff sickness. Therefore, it is proposed to retain the target at 95%



## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Environment & Street Scene	<b>NEW KPIs</b>	<p>What percentage of the recorded incidences of fly-tipping are</p> <p><b>(a)</b> investigated within 3 working days of the fly-tip being recorded where the fly-tip is on public or privately owned land?;</p> <p><b>(b)</b> removed within 5 working days of the fly-tip being recorded where the fly-tip is on public land?</p> <p>Corporate Comment: <b>To be reported on a quarterly basis</b></p>	N/A	N/A	90% for both (a) and (b)	<b>(New indicators)</b>	The key issue for residents is the time period for a fly-tip to be dealt with and eventually removed from its location. This is not straightforward because the location of the fly-tip can result in different approaches to its investigation and eventual removal. For example, a fly-tip on private land has to be dealt with by the landowner and the Council's intervention could be enforcement action. This can take a considerable period to complete. At the opposite end of the scale, a small scale fly-tip on the roadside could be dealt with in a matter of a few days by the Council's own Environmental Enforcement Team or waste management contractor. The performance measure therefore relates to the time taken to respond to the initial report and investigate as required; plus, additionally, the time taken to remove it when it is located on public land.
	<b>NEW KPI</b>	<p>What percentage of out of hours (OOH) noise complaints that are passed through to the duty noise officer are responded to within 15 minutes</p> <p>Corporate Comment: <b>To be reported on a quarterly basis</b></p>	N/A	N/A	90%	<b>(New indicator)</b>	This target has been a long term aim of the Out Of Hours noise service, to meet complainants' expectations of an immediate response to noise complaints outside normal working hours, when the noise is actually present and it may be appropriate for an officer to visit and witness the incident

**2013/14 Key Performance Indicators - Targets**

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Finance & ICT	<b>KPI 30</b>	What percentage of the invoices we received were paid within 30 days?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	97%	96%	97%	No	This is a challenging target and 97% represents a good level of performance.
	<b>KPI 31</b>	What percentage of the district's annual Council Tax was collected?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	97.8%	77.87%	96.60%	No	
	<b>KPI 32</b>	What percentage of the district's annual business rates was collected?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	97.50%	81.33%	97.50%	No	

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Finance & ICT	KPI 33	On average, how many days did it take us to process new benefit claims?	30 days	33.47 days	30	No	The target will not be achieved in 2012/13. However, if it is possible to keep closer to a full establishment in 2013/14 this is a realistic target.
		Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>					
	KPI 34	On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?	8 days	10.88 days	8	No	This is a good level of performance that has been consistently achieved. Any reduction in the target would require a change in relative priorities with new claims.
Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>							
KPI 35	How many benefits fraud investigations were completed by the Council?		300	245	500	Yes	With being closer to full establishment again it is appropriate to increase that target back to that used in previous years.
		Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>					

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Housing	<b>KPI 40</b>	What percentage of the rent due from our council home tenants was paid?  Corporate Comment: <b>Indicator to be retained but changed to a quarterly indicator</b>	97.00%	Annually reported	96.00%	No	The Cabinet has already accepted that rent arrears will increase significantly as result of the introduction of direct payments, the Bedroom Tax, the Benefit Cap and the Local Council Tax Support Scheme (LCTSS) under the welfare reforms. The CIH assessed that rent arrears could double - <u>EXCLUDING</u> the effects of the LCTSS - and the outcomes of the 6 Government Direct Payment Demonstration Pilots are that rent arrears have doubled (due to the use of direct payments alone). However, the latest information from Government is that direct payments will not be introduced until March 2014 at the earliest, so the full detrimental financial effect of the welfare reforms on EFDC will not have an impact until then. The proposed target therefore reflects an inevitable increase in arrears due to the other reforms. NOTE: Quarterly reporting is problematical and not accurate due to the timing of direct debit payment dates. However, with this caveat, quarterly reporting is supported due to the importance of monitoring the (general) situation and trend.
	<b>KPI 41</b>	On average, how many days did it take us to re-let a Council property?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	30	31	33	No	The main reason why the cumulative target was not met in Quarter 3, was due to the introduction of new Asbestos Regulations during the year, which now requires an Asbestos Management Survey to be undertaken <u>for every empty property</u> . These are undertaken by a specialist company, and increase the void repairs period by around 3 days for every property. In addition, under the Regulations, many empty properties also require a more detailed Asbestos Refurbishment Survey (including for non-major works), which extends the void repairs period for around 1 week - and some works are notifiable to the HSE, which delays re-lets even further. It is therefore proposed to increase the target by 3 days.

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Housing	KPI 42	What percentage of emergency repairs to our council properties were completed within 24 hours?  Corporate Comment: <b>Indicator to be deleted</b>	99%	100%	<b>To be replaced (see below)</b>	<b>N/A</b>	<b>It is proposed that this indicator is deleted</b> and replaced with the new Contract KPI for emergency repairs agreed by the Repairs Advisory Group, Housing Portfolio Holder and Mears for the Repairs Management Contract with Mears (Housing P/H Decision - 6.11.12). This is because the current EFDC KPI and the previous Contract KPI is no longer workable with the new appointment-based approach for housing repairs now adopted. <b>The replacement EFDC KPI is provided at the end of this table.</b>
	KPI 43	What percentage of urgent repairs to our council properties were completed within five working days?  Corporate Comment: <b>Indicator to be deleted</b>	95%	100%	<b>To be replaced (see below)</b>	<b>N/A</b>	
	KPI 44	What percentage of routine repairs to our council properties were completed within six weeks?  Corporate Comment: <b>Indicator to be deleted</b>	95%	99%	<b>To be replaced (see below)</b>	<b>N/A</b>	
	KPI 45	How satisfied were our tenants with the standard of the repairs service they received?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	98%	100%	98.00%	No	

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Housing	KPI 46	How many affordable homes were built in the District?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	72	67	22	No	The only scheme currently on site, which will complete in 2013/14 is at Church Hill, Loughton (5 affordable homes). The only other scheme that has planning permission and is expected to complete during 2013/14 is at Manor Road, Chigwell (17 affordable homes)
	KPI 47	How many households were housed in temporary accommodation?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	60	64	70	No	The no. of homelessness applications has increased significantly over the past 2 years (by 20%) - including a 12% increase over the past year. In addition, the incidences of intentional homelessness have increased by 200% over the past year. This has resulted in an increase in the number of households in temporary accommodation and the target not being achieved during the current year. The situation is expected to further worsen significantly during 2013/14, due to the effects of the welfare reforms (as assessed by the Chartered Institute of Housing in its study for EFDC) and the continuing economic climate. The proposed target is considered to be realistic, but still challenging, under all the circumstances.
	KPI 48	What percentage of our council homes were not in a decent condition?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	0.00%	0.00%	0.00%	No	It is proposed that this indicator be retained. Although the Council has agreed to introduce a new full modern maintenance standard, this will take time to take effect. In the meantime, it is essential that the Council continues to ensure, and monitor, that all its properties are meeting the Decent Homes Standard (DHS). Many properties become potentially non-decent all the time, and it is important to ensure that work is undertaken before this happens. It is a moving situation. Many other councils have not yet met the DHS and retaining this KPI enables a regular public comparison to be made.

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Housing	<b>NEW KPI</b>	What percentage of all emergency repairs (including out of hours emergencies) are attended to within 4 working hours?  Corporate Comment: <b>To be reported on a quarterly basis</b>	N/A	N/A	99%	<b>New Indicator</b>	<b>It is proposed that these indicators replace the current EFDC KPIs 42-44</b> , since they are generally the new Contract KPIs agreed by the Repairs Advisory Group, Housing Portfolio Holder and Mears for the Repairs Management Contract with Mears (Housing P/H Decision - 6.11.12). This is because the current EFDC KPIs and the previous Contract KPIs are no longer workable with the new appointment-based approach for housing repairs now adopted. The actual targets for the new Contract KPI for the average overall time to complete all responsive repairs are 7.8 days for 2012/13 and 6.3 days for 2013/14. However, 7 days is proposed for the new KPI target, since it is not only a rounded figure (and easier to promote and publicise to tenants), it is mid-way between the two Contract KPI targets. The EFDC KPI can then be reviewed for 2014/15 in the light of actual experience and performance
	<b>NEW KPI</b>	What is the average overall time to complete all responsive repairs, from the time the request is made to the time the job is completed?  Corporate Comment: <b>To be reported on a quarterly basis</b>	N/A	N/A	7 working days	<b>New Indicator</b>	
	<b>NEW KPI</b>	What percentage of appointments for repairs are both made and kept?  Corporate Comment: <b>To be reported on a quarterly basis</b>	N/A	N/A	98.00%	<b>New Indicator</b>	

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Planning & Economic Development	<b>KPI 50</b>	What was the net increase or decrease in the number of homes in the district?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	125	77	125	No	5 year land supply of Regional Spatial Strategy is still the most up to date evidence base, however, when emerging evidence base comes forward as part of the Local Plan review, this target may change and therefore officers reserve the right to make future changes.
	<b>KPI 51</b>	What percentage of major planning applications were processed within 13 weeks?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	81.00%	52.38%	70%	No	
	<b>KPI 52</b>	What percentage of minor planning applications were processed within 8 weeks?  Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>	89.00%	83.05%	89%	No	



## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Planning & Economic Development	KPI 53	What percentage of other planning applications were processed within 8 weeks?	94.00%	89.13%	94%	No	The target has been difficult to achieve because the Development Control section has for the majority of 2012-13 been two planning officers and a technical officer down. There should be a full compliment of staff for the start of 2013-14, so this delegated decision target is achievable if retained at the present level.
		Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>					
	KPI 54	What percentage of planning applications recommended by planning officers for refusal were overturned and granted permission following an appeal (a lower figure is better and is expressed as a percentage of the number of appeals lodged)?	19.00%	17.10%	19%	No	The target was slightly reduced last year to 19% and proved quite a challenge for officers to defend their decisions at appeal. Given the performance was tight, the target should remain as last year and not be lowered, particularly as the National Planning Performance Framework is likely to have precedence over the Council's Local Plan in some planning policy cases.
Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>							
KPI 55	What percentage of planning applications, refused by Council Members against the recommendation of the planning officers, were granted permission following an appeal (a lower figure is better and is expressed as a percentage of the number of appeals lodged)?	50.00%	43.50%	50%	No	Members were reluctant to alter this target last year and it would appear appropriate to keep the same figure, given their performance is close to the target and the number of appeals is fewer compared to KPI 54.	
	Corporate Comment: <b>Indicator to be retained as a quarterly indicator</b>						

## 2013/14 Key Performance Indicators - Targets

Directorate	2013/14 KPI Ref. No.	Description	2012/13 Target	Q3 2012/13 Performance	Proposed Target 2013/14	Increased target? Yes / No	Comments / Justification for Proposed Target 2013/14 including reasons for targeted reductions in performance For suggested new KPIs please give your reasoning for including it in the set.
Planning & Economic Development	KPI 56	How much of the land required to meet our house building needs over the next five years was available to be delivered over the next five years?  Corporate Comment: <b>This is based on a one-off annual return. Since it cannot be reported quarterly it suggested that this be removed as a KPI and reported elsewhere.</b>	100%	Annually reported	<b>(Indicator to be deleted)</b>	N/A	<b>It is proposed that this indicator be deleted as a KPI as it is not possible to report this on a quarterly basis to the panel.</b>

## **Report to the Finance and Performance Management Cabinet Committee**



**Epping Forest  
District Council**

**Report reference: FPM-025-2012/13**  
**Date of meeting: 21 March 2013**

**Portfolio: Finance and Technology**

**Subject: Draft Audit Plan 2013/14**

**Responsible Officer: Brian Bassington (01992 564446).**

**Democratic Services Officer: Gary Woodhall (01992 564470).**

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### **Decisions Required:**

- (1) To comment on the proposed Internal Audit Plan for 2013/14.**

### **Executive Summary:**

This report sets out the proposed audit plan for the year 2013/14.

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

To inform the Finance and Performance Management Cabinet Committee of the proposed Audit Plan for 2013/14 and to seek comments thereon.

### **Other Options for Action:**

None.

### **Report:**

- The Annual Audit Plan is submitted to the Finance and Performance Management Cabinet Committee for comment prior to being presented to the Audit and Governance Committee on 4 April 2013 for approval. Once approved, the Annual Audit Plan will be appended to the Office of the Chief Executive Business Plan.
- In compiling the plan, all fundamental financial systems are included, to provide Management and Member assurance in the controls in place for good financial management. The annual audit of these systems is also a requirement of the Council's External Auditors (PKF) and the draft plan is submitted to them for comment.
- The Corporate Risk Register was reviewed and time allocated for review of any high risk financial areas. The Annual Audit Plan contains the risk identifier to ensure that risks highlighted by the Audit Commission, the External Auditors and the Corporate Risk Register are allocated audit time.
- The plan contains a contingency provision for investigations and other unplanned work during the year. There is also flexibility in the Plan so that audits can be substituted during the year in order to accommodate reviews of areas that are assessed as being of higher risk to the achievement of the Council's objectives.

5. During 2012/13 publications by the Audit Commission and the National Fraud Authority have identified current fraud risks and to address concerns over these risks time has been allocated to fraud prevention and detection in the 2013/14 audit plan. The audit team consists of 4.4 (full time equivalent) staff, the part time post covering the fraud auditor function.

6. Regular meetings continue to be held with the Chief Auditors of Uttlesford, Harlow and Broxbourne Councils on various joint working practices sharing best practice, expertise and audit findings and recommendations.

7. Progress against the approved Plan is kept under review during the year and any proposed amendments, once the Plan has been approved, would be subject to the approval of the Audit and Governance Committee, who will continue to monitor progress against the plan on a quarterly basis.

8. The plan will be presented to the Audit and Governance Committee on 4 April 2013.

**Resource Implications:**

None, within existing budget.

**Legal and Governance Implications:**

No specific implications.

**Safer, Cleaner and Greener Implications:**

No specific implications.

**Consultation Undertaken:**

Corporate Governance Group, PKF and Service Directors.

**Background Papers:**

CIPFA Internal Audit Code of Practice, Audit reports, files and Corporate Risk register.

**Impact Assessments:**

Risk Management

The preparation of a risk based audit plan, as part of the audit strategy, is a key part of the Council's governance arrangements. In approving the annual programme of audits, the Audit and Governance Committee, in conjunction with the Finance and Performance Management Cabinet Committee, should be assured that there is sufficient and appropriate coverage to address any risks to the achievement of the Council's objectives.

Equality and Diversity

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

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?*  
There are no equalities impacts.

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

### AUDIT PLAN 2013/14

<b>Audit area</b>	<b>Audit type</b>	<b>Days allocated</b>	<b>Completed</b>	<b>Risk Identifier</b>
<b>FINANCE AND ICT</b>				
<b>Finance</b>				
Bank Reconciliation	system/follow up	15		PKF
Sundry Debtors	system/follow up	15		PKF
Creditors	system/follow up	15		PKF
Treasury Management	system/follow up	15		PKF/R26
Budgetary Control (capital and revenue)	system/follow up	10		PKF
Risk Management and Insurance	system/follow up	15		PKF
Main Accounting and Financial Ledger	system/follow up	15		PKF
Housing Benefits	system/follow up	20		PKF
Council Tax	system/follow up	20		PKF/R27/AC
National Non Domestic Rates	system/follow up	15		PKF/R27
Cash receipting and Income control	system/follow up	15		PKF
Provision for 'top up' testing	systems	30		PKF
<b>ICT</b>				
ICT Procurement	ICT	10		AC/R2
Access controls	ICT	10		PKF
Disaster recovery/business continuity	ICT	10		PKF/R8
<b>TOTAL</b>		<b>230</b>		
<b>PLANNING AND ECONOMIC DEVELOPMENT</b>				
Planning Fees	System	20		R27
Countrycare	System	10		R
<b>TOTAL</b>		<b>30</b>		
<b>ENVIRONMENT AND STREET SCENE</b>				
Waste Management and Recycling	system	20		R20
Car Parking Contract	system	10		R27
North Weald airfield	establishment	15		R27
<b>TOTAL</b>		<b>45</b>		
<b>HOUSING</b>				
Housing Rent Collection and Arrears	system/follow up	20		PKF/R27
Right to Buy	system	10		AC
Housing Repairs Service	system	20		
Housing Contracts	system	20		R2
Private Sector Housing - Grants	system	15		
Norway House	Establishment	10		
<b>TOTAL</b>		<b>95</b>		

<b>CORPORATE SUPPORT SERVICES</b>				
<b>Human Resources</b>				
Payroll	System/follow up	20		PKF
Recruitment and Selection	Follow up	5		AC
Management of Sickness absence	Follow up	5		R15
Overtime and Committee Allowances	verification	10		R
Travelling & Subsistence Claims	verification	10		R
Car Mileage claims	verification	10		R
<b>Estates/Facilities Management/Other</b>				
Commercial Property portfolio	Follow up	5		R9
Reprographics	System	10		
Fleet Operations income	system	5		R27
Facilities Management Contracts	system	10		R2
<b>Legal</b>				
Debt recovery	Follow up	10		R27
<b>TOTAL</b>		<b>100</b>		
<b>MISCELLANEOUS</b>				
Key and Local Performance Indicators	verification	15		R
Business Plans	verification	10		R
<b>FRAUD PREVENTION &amp; DETECTION</b>				
Contracts	fraud	15		AC/R20
Procurement	fraud	15		AC/R2
Council Tax Discounts	fraud	15		AC/R23
National Fraud Initiative (NFI)	fraud	20		R23
Data matching and analysis (IDEA software)	fraud	25		AC
<b>CORPORATE</b>				
Corporate Procurement	system/follow up	15		AC/R2
Gifts and Hospitality (Members & Officers)	system/follow up	10		R
Corporate Asset Register	system	5		PKF
Follow up of Priority 1 Audit recommendations	follow up	10		R23
Governance Statement	management review	5		AC/PKF
<b>TOTAL</b>		<b>160</b>		
<b>TOTAL DAYS ALLOCATED</b>		<b>660</b>		
Contingency/Spot checks/Minor investigations		50		R23
Corporate/Service Advice		65		
<b>TOTAL</b>		<b>775</b>		

<b>Key</b>	<b>Risk Identifier</b>
AC	Audit Commission External
PKF	Audit
R no.	Risk No. in Corporate Register
R	Reputation of Council



## **Report to the Finance and Performance Management Cabinet Committee**



**Epping Forest  
District Council**

**Report Reference: FPM-024-2012/13**

**Date of meeting: 21 March 2013**

**Portfolio: Finance & Technology**

**Subject: Risk Management – Corporate Risk Register & Risk Management Documents**

**Responsible Officer: Edward Higgins (01992 564606)**

**Democratic Services: Gary Woodhall (01992 564470)**

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

- (1) To note the updating of the Corporate Risk Register;**
- (2) To consider whether there are any new risks that are not on the current Corporate Risk Register;**
- (3) To consider whether the tolerance line on the risk matrix should be amended;**
- (4) To consider and recommend the updated Risk Management Strategy and Policy Statement to Cabinet for adoption; and**
- (5) To note the updated Terms of Reference of the Risk Management Group.**

### **Executive Summary:**

The Corporate Risk Register and risk management documents have been considered by both the Risk Management Group on 25 February and the Corporate Governance Group on 27 February. These reviews identified amendments to the Corporate Risk Register and minor amendments to the wording of corporate risk documents.

The methodology and documentation for Risk Management were established in 2006 as a response to the Audit Commission's Comprehensive Performance Assessment (CPA) regime. Audit comments on these arrangements have been favourable over an extended period as they have encapsulated best practice in this area. However, Members have requested an update to the Corporate Risk Register to make it more accessible.

Following this request the Director of Finance & ICT and the Chief Executive met with an external consultant to discuss the options. The consultant confirmed that whilst the existing arrangements and documentation remained extremely robust and valid, some authorities had used the demise of the Audit Commission as an opportunity to streamline the risk management process.

It has been decided to take the process of streamlining forward by devoting a Management Board meeting in May to a fresh consideration of corporate risks and how they are recorded and presented. This is likely to result in a very different Corporate Risk Register being presented to the June meeting of this Committee.

### Reasons for Proposed Decisions:

It is essential that the Corporate Risk Register is regularly reviewed and kept upto date. The annual review of the corporate risk management documents helps ensure that the risk management process remains relevant and 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 25 February and the Corporate Governance Group on 27 February. A number of amendments have been identified and incorporated into the register (Appendix 1).
2. Risk 1 Recruitment Restrictions has been removed following the decision by Cabinet on 10 January to revoke the restriction.
3. New Risk 37 – At the meeting of this committee on 21 January, Members requested the groups to consider the Gazetteer as a risk. It was agreed that a new Corporate risk should be added, the risk and associated Action plan can be seen within the Corporate Risk Register. The Risk has been scored as D2 (Low likelihood, Critical Impact)
4. Risk 3 Potential difficulty producing Local Plan to timetable – an additional Vulnerability, Trigger and Consequence have been added to the risk to cover budgetary aspects. An additional management action has also been added to the Action Plan to reflect the work of the Local Plan Cabinet Committee.
5. Risk 17 – Significant amount of capital receipts spent on non-revenue generating assets. The effectiveness of control has been updated to reflect the capital programme.
6. Risk 29 – Gypsy Roma Traveller Provision. The vulnerability has been updated as the GTAA is now underway.
7. A timeline of all current risks is also included as Appendix 2.
8. At the 17 July 2006 meeting of this committee, Members considered and adopted the Risk Management Strategy, the Risk Management Policy Statement and the Terms of Reference of the Risk Management Group. Cabinet then adopted the Risk Management Strategy and the Risk Management Policy Statement on 13 November 2006.
9. This Committee undertakes an annual review of these documents. The review last year was on 19 March 2012, with subsequent Cabinet approval on 23 April 2012.
10. These documents should be reviewed and updated on an annual basis and so are presented here for Members consideration. After consideration by the Risk Management Group and the Corporate Governance Group the proposed adjustments are as follows:

Document	Proposed amendment
Risk Management Group – Terms of reference (Appendix 3)	Minor wording changes within paragraph one and two.
Risk Management Strategy (Appendix 4)	Within Organisation, the portfolio holder has been amended to “Finance & Technology”.
Risk Management Policy Statement (Appendix 5)	No change

11. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately, whether there are any additional risks that should be included and whether the tolerance line needs to be amended.

12. Members are also asked to consider the proposed amendments to the corporate risk management documents.

**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.

The corporate risk management documents are an important part of the Council’s overall governance arrangements and this Committee is required to review the documents on an annual basis.

**Safer, Cleaner, Greener Implications:**

None.

**Consultation Undertaken:**

The Risk Management Group and the Corporate Governance Group have been involved in the process.

**Background Papers:**

None.

**Impact Assessments:**

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.

If the corporate risk management documents were not reviewed and updated they could become inconsistent with other Council policies and objectives and this would undermine the Council’s approach to risk management.

Equality and Diversity

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

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?* N/A

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

N/A

# **Epping Forest District Council Corporate Risk Register**

**Date:** 21 March 2013

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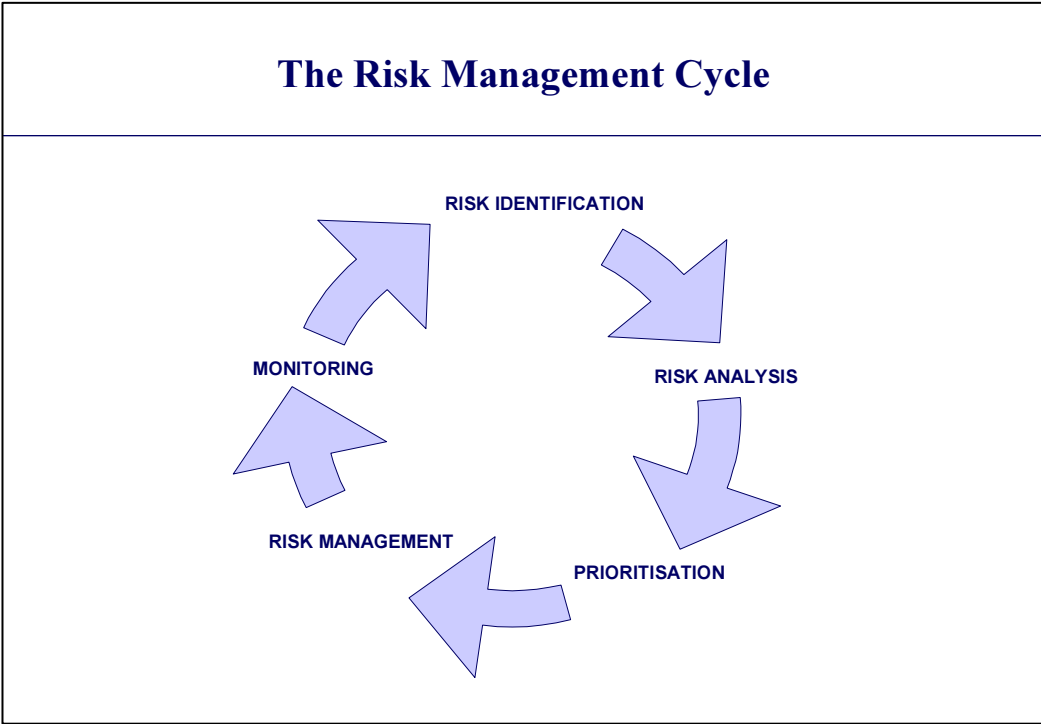
# 1. Introduction

Risk Management is the process of identifying risks, evaluating their potential consequences and determining the most effective methods of controlling them and/or responding to them. It is not an end in itself. Rather, risk management is a means of minimising the costs and disruption to the organisation caused by undesired events.

The aim is to reduce the frequency of risk events occurring (where possible) and minimise the severity of their consequences if they do occur.

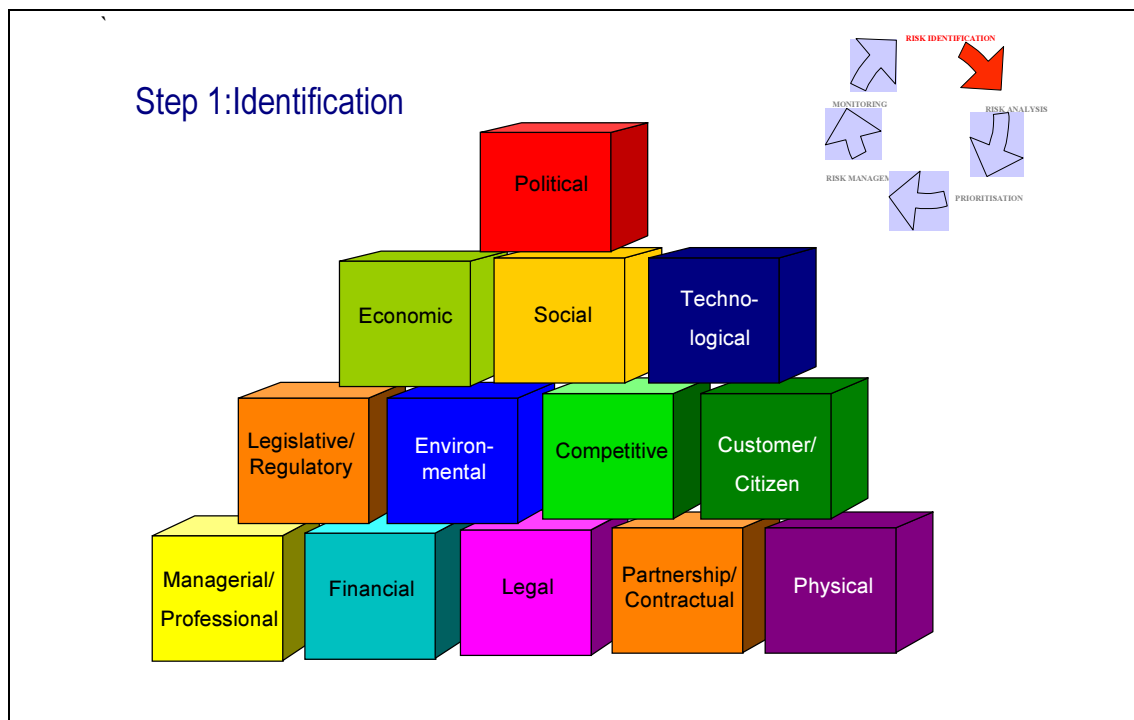
# 2. The Process

To manage risk effectively, the risk associated with each policy option or service delivery method needs to be systematically identified, analysed, prioritised, controlled and monitored. This process is referred to as the risk management cycle, which can be seen below.



## 2.1 Risk identification

The first of five stages of the risk management cycle requires risk identification. This is achieved through standing items on Corporate Governance Group and Management Board and from discussions at the Risk Management Group, which is held quarterly. Risk is covered under 13 categories of risk as shown below.



## 2.2 Risk analysis and prioritisation

Once the risks are identified, these are then assessed for impact and likelihood and plotted onto a matrix. The impact, compared against the objectives of the Authority, (Council Policy Themes and Aims), was measured as being negligible, marginal, critical or catastrophic. The likelihood, of the risks occurring over the next three years, was measured as being almost impossible, very low, low, significant, high or very high.

A group of Members and Senior Officers originally set the risk tolerance line, which involved considering each of the squares on the matrix and deciding if they were prepared to tolerate a risk in that box or if they wanted to actively manage it. This theoretical tolerance line effectively splits the risks on the matrix, with those risks above the line requiring further scrutiny and those below the line not requiring high-level intervention at this time. The Finance and Performance Management Cabinet Committee now review this quarterly.



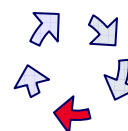
## 2.3 Risk management and monitoring

The next stage is to complete 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.

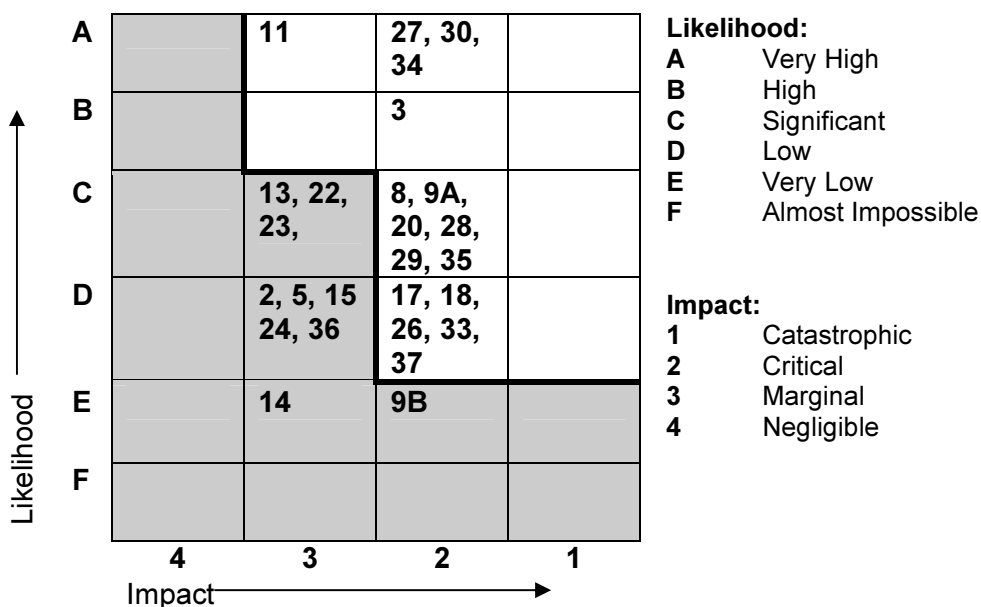
The monitoring of these action plans takes place at Corporate Governance Group, Management Board and the Risk Management Group. The action plans are also reported to Members quarterly.

# 3. Results

## 3.1 Risk profile



The risk profile and priority are given below.



Appendix 1 shows all the risks that were rated on the profile.

### 3.2 Above the line Risk clusters

The 16 above the line risks have been grouped into 8 clusters that will help to streamline the action planning process. These are shown below:

Cluster name	Risk Scenarios	Medium Term Aims/Council Key Objectives
Local Plan	3, 29	c, e 1
Key Contracts	20	a, b, d 2, 4
Business Continuity Planning	8, 9A, 28	a, d 2, 4
Financial pressures	26, 27, 30, 34, 35	a, b, c, d, e 2, 3, 4
Local housing needs	11, 33,	a, c, d, e 5
Capital receipts spent on non revenue generating assets	17	a, b, d 2
Loss or theft of data	18	
Gazetteer	37	d 2

The action plans can be seen at Appendix 2

#### Medium Term Aims 2011 - 2015

- (a) Endeavour to safeguard frontline services that our local residents tell us are important against a background of diminishing resources.
- (b) Have the lowest District Council Tax in Essex and maintain that position.
- (c) Be recognised as an innovative and transparent council involving residents in our decisions.
- (d) Continuously improve efficiency by adopting new ways of working with our partners and maximising revenue from our assets.
- (e) Provide clear community leadership and be a strong advocate, championing the interests of the people of Epping Forest and protecting the special character of the District.

#### Council Key Objectives 2012 - 2013

The Council Key Objectives referred to above are contained on pages 27 - 41 of the Corporate Plan.

1. The development of the Council's Local Plan
2. The achievement of the levels of net savings necessary to maintain the Council's sound financial position.
3. The implementation of the Government's proposed welfare and other finance reforms with the least possible disruption to service users and the Council's operations
4. The implementation of initiatives to help mitigate the current economic conditions on local communities and businesses.
5. Maximising the provision of affordable housing within the district
6. The implementation of relevant provisions contained within the Localism Act 2011, and other public sector reforms.

## Appendix 1 – Risk Register

Risks marked “ \* ” are above tolerance and require managing

No	Rating		Short name	Vulnerability	Trigger	Consequence
27	A2	*	Shortfall in key income streams	<p>Recession and credit crunch causing long term lower interest rates.</p> <p>Depressed economy continues with lower demand for Building Control, MOT and Land Charges services.</p> <p>Reliance on major income generating contracts and ability to increase charges.</p>	<p>Reduced economic confidence.</p> <p>Prolonged recession/loss of business</p> <p>Collapse of a contract</p>	<ul style="list-style-type: none"> <li>• Council unable to meet budget requirements</li> <li>• Use of reserves</li> <li>• Staffing and service level reductions</li> </ul>
30	A2	*	Reduction in Government Funding	<p>With change to the funding based on local retention of NDR the Council will be more vulnerable to downturns in the local economy.</p> <p>Insufficient new homes built to offset grant Reductions.</p>	<p>Large business or businesses cease trading</p> <p>Lack of residential development.</p>	<ul style="list-style-type: none"> <li>• Loss of revenue</li> <li>• Increase Council Tax</li> <li>• Reduction in number and level of services</li> <li>• Increase in charges</li> </ul>
34	A2	*	Changes to Benefit system	<p>The government is undertaking a major reform of the welfare system this is likely to have serious impacts on the Council, benefit claimants and staff.</p> <p>The DWP are considering changes to fraud investigation which could see Housing Benefit Fraud staff transferring to them.</p>	<p>Welfare reform requiring substantial change to the calculation and administration of benefits</p>	<ul style="list-style-type: none"> <li>• Residents no longer able to afford current tenancies.</li> <li>• Possible transfer of staff to DWP.</li> <li>• Possible redundancies of staff and associated costs.</li> <li>• Problems in recruiting lead to reduction in performance</li> <li>• Possible reduction in the authority's capacity for dealing with fraud.</li> </ul>

No	Rating		Short name	Vulnerability	Trigger	Consequence
11	A3	*	Unable to provide sufficient housing for local people	The Council has targets in terms of key housing needs and affordable housing, however, there is a shortage of available land in the district for housing and economic development, with high house prices.	Unable to provide sufficient housing for local people	<ul style="list-style-type: none"> <li>• Unable to achieve targets for affordable housing</li> <li>• Council seen as failing</li> <li>• District becomes more suburban</li> <li>• Young people leave area/Increased elderly population</li> <li>• Character of district changes</li> </ul>
3	B2	*	Potential difficulty producing Local Plan to timetable	<p>Ongoing changes to Planning system.</p> <p>Staff unable to cope with increasing workloads partly due to legislative changes with associated consultation.</p> <p>Costs exceeding budget provision.</p>	<p>Missed deadlines</p> <p>Council unable to agree a coordinated plan with all other involved parties.</p> <p>Need more or longer consultant reports than anticipated.</p>	<ul style="list-style-type: none"> <li>• Increased staff stress levels/stress related leave.</li> <li>• Not achieving objective of delivering a sound Local Plan.</li> <li>• Not providing strategic direction for housing and growth in the District.</li> <li>• NPPF comes into effect without adopted Local Plan</li> <li>• Supplementary estimate needed</li> </ul>
8	C2	*	Business Continuity Management	The Council is required to develop and implement robust Business Continuity Plans in line with the requirements of the Civil Contingencies Act	Unable to respond effectively to a business continuity incident (e.g. IT virus / flu pandemic)	<ul style="list-style-type: none"> <li>• Services disrupted / Loss of service</li> <li>• Possible loss of income</li> <li>• Staff absence</li> <li>• Hardship for some of the community</li> <li>• Council criticised for not responding effectively</li> </ul>
9A	C2	*	Depot Manager	That, due to the lack of an overall Depot Manager, an issue falls between the various service managers and is not adequately addressed.	Accident or conflict between users.	<ul style="list-style-type: none"> <li>• Adverse impact on service delivery</li> <li>• Increased costs and legal implications</li> <li>• Council criticised</li> <li>• HSE investigation/prosecution</li> </ul>

No	Rating		Short name	Vulnerability	Trigger	Consequence
20	C2	*	Key contract collapses or service levels deteriorate	Contractors are providing some key council services. There have been changes in terms of service delivery and there are concerns around the ability of contractors to meet service changes and deliver the required level of performance.	Contractor collapses / is unable to provide service or Service level deteriorates	<ul style="list-style-type: none"> <li>• Service fails / adversely affected</li> <li>• Alternative arrangements need to be made</li> <li>• Increased costs and legal implications</li> <li>• Health risks</li> <li>• Dissatisfied customers</li> <li>• Censure by audit/inspection</li> </ul>
28	C2	*	Workforce Development Planning	The age profile of the Council's workforce is increasing and a number of senior staff are likely to retire at a similar time. Any concentrated loss of experience could cause disruption to service management.	Loss of a number of senior staff with no immediate replacement.	<ul style="list-style-type: none"> <li>• Services disrupted / Loss of service</li> <li>• Key performance indicators affected</li> <li>• Censure by audit/inspection</li> </ul>
35	C2	*	Budget reductions	The medium term financial strategy requires net CSB reductions of £1.3m over four years.	Required net savings not achieved.	<ul style="list-style-type: none"> <li>• Greater use of reserves.</li> <li>• Higher level of saving in subsequent years.</li> </ul>
39	C2	*	Gypsy Roma Traveller Provision	<p>a) The area attracts gypsies and travellers but does not have an unlimited supply of pitches.</p> <p>b) An updated GTAA is underway but is still to be completed.</p>	<p>More gypsies and travellers than can be accommodated on official sites attempt to stay in the district.</p> <p>Current GTAA found to be deficient.</p>	<ul style="list-style-type: none"> <li>• Unofficial sites are established</li> <li>• Complaints from public/landowners</li> <li>• Possible enforcement action</li> <li>• Enforcement action made more difficult</li> <li>• Unable to successfully defend GRT related decisions.</li> <li>• Resource intensive legal process</li> <li>• Key performance indicators affected</li> </ul>

No	Rating		Short name	Vulnerability	Trigger	Consequence
17	D2	*	Significant amount of capital receipts spent on non revenue generating assets	Capital resources are scarce and their use needs to be carefully prioritised.	Authority spends a significant amount of capital receipts on non revenue generating assets.	<ul style="list-style-type: none"> <li>• Loss of interest</li> <li>• Loss of cover for contingencies</li> <li>• Financial strategy becomes untenable in the long term</li> <li>• Service reductions required</li> <li>• Large Council Tax increases required</li> </ul>
18	D2	*	Loss or theft of data	The Authority handles a large amount of 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"> <li>• Breach of corporate governance</li> <li>• Increased costs and legal implications</li> <li>• Reputation damaged</li> </ul>
26	D2	*	Investments	The Council lends money to a large number of financial institutions. In the current economic climate it appears that the long-term future of very few institutions can be guaranteed.	Financial institution fails whilst holding Council funds.	<ul style="list-style-type: none"> <li>• Loss of investment</li> <li>• Loss of revenue</li> <li>• Reduction in services</li> <li>• Increase in charges</li> <li>• Reputation damaged</li> </ul>
33	D2	*	Reform of Housing Revenue Account	The Council took on £186m of debt. Financial modelling shows this level of debt can be managed. However variables in the model may change and the government may increase the level of debt. Accounting arrangements may impact on General Fund.	<p>More Council houses sold than anticipated so revenue reduced.</p> <p>Government increases debt settlement.</p>	<ul style="list-style-type: none"> <li>• HRA becomes unsustainable.</li> <li>• Repairs and maintenance spending reduced.</li> <li>• Large rent increases</li> <li>• Additional charges to general fund.</li> </ul>

No	Rating		Short name	Vulnerability	Trigger	Consequence
37	D2	*	Local Land and Property Gazetteer	Inability to ensure accurate Address Management and Local Land & Property Gazetteer (LLPG) requirements which may contravene the contractual responsibilities of the Data Co-operation Agreement (DCA)	Failure to improve National Standard Performance Indicators within the agreed timescales.	<ul style="list-style-type: none"> <li>Loss of reputation</li> <li>Financial penalties in terms of DCA</li> <li>Errors in Address Records and GIS locations cause delay in Emergency Service Response</li> </ul>
13	C3		Key objectives not delivered due to capacity issues	<p>The Council is facing a challenging agenda with a number of initiatives and projects.</p> <p>There is a concern the corporate core, in particular, is light in terms of staffing, resource and capacity. And while the Council has the financial resources to deliver on key priorities, it may not have sufficient HR capacity</p> <p>There are concerns around overload and a recognised need to set achievable agendas.</p>	Council fails to deliver key objectives on time	<ul style="list-style-type: none"> <li>Slippage on key projects / initiatives</li> <li>Deadlines and targets not met</li> <li>Lack of focus</li> <li>Workloads increase</li> <li>Staff de-motivated</li> </ul>
22	C3		Key partnership fails	<p>The Council is involved in a plethora of multi agency partnerships e.g. LSP - LEP, but these don't always have clear governance arrangements with related documentation thin on the ground.</p> <p>Localism act may cause transfer of Council services to providers with governance issues as above.</p>	Key partnership fails or services provided via arrangements lacking adequate governance.	<ul style="list-style-type: none"> <li>Relationships with other bodies deteriorate</li> <li>Clawback of grants</li> <li>Unforeseen accountabilities and liabilities for the Council</li> <li>Censure by audit/inspection</li> <li>Adverse impact on performance</li> </ul>

No	Rating	Short name	Vulnerability	Trigger	Consequence
23	C3	Fraud including bribery	<p>A weakness in internal controls or the application of internal controls or criminal collusion such that fraud or bribery is either not prevented or not detected.</p> <p>Loss of experienced counter fraud staff</p>	<p>Significant fraud or bribery occurs.</p> <p>Welfare reform requiring transfer of investigators to SFIS.</p>	<ul style="list-style-type: none"> <li>• Loss of resources</li> <li>• Damage to Council's reputation</li> <li>• Effect on staff morale</li> </ul>
2	D3	Inconsistent approach to procurement	<p>a) full conformity with best practice and Contract Standing Orders is still to be achieved.</p> <p>b) failure to comply with EU procurement regulations</p>	<p>a) Procurement exercise breaches contract standing orders</p> <p>b) Challenge by unsuccessful bidders</p>	<ul style="list-style-type: none"> <li>• Efficiency savings not made or contracts fail</li> <li>• Procured service poor/not value for money</li> <li>• Any EU failures will involve legal costs, fines and compensation</li> <li>• Negative impact on service delivery where procurement exercise has to be re-done.</li> </ul>
	D3	Local Government Reorganisation which is detrimental to the Council and Community	<p>Even though there are no current proposals to change boundaries in Essex, there remains a concern that this might change.</p> <p>There are a number of initiatives examining service deliver models that imply a sharing of resources. Concern exists that any pooling or sharing of resources may be detrimental to some individual authorities.</p>	<p>Reorganisation or change in service delivery which is detrimental to the Council and Community</p>	<ul style="list-style-type: none"> <li>• Outflow of resources from district</li> <li>• Existing priorities stopped</li> <li>• Projects stopped / delayed</li> <li>• Change in direction</li> </ul>



No	Rating	Short name	Vulnerability	Trigger	Consequence
15	D3	Sickness absence	Levels of sickness absence increase or are not consistently reported.	Sickness absence not effectively managed	<ul style="list-style-type: none"> <li>• Staff absence impacts on ability to deliver</li> <li>• Increased costs of using agency staff</li> <li>• Efficiency savings affected</li> <li>• Impact on staff morale</li> <li>• Possible litigation / claims</li> </ul>
24	D3	Cash balances	Retention of large reserves and balances fails to provide best value and restricts the development of key services.	Key service deteriorates due to lack of resources.	<ul style="list-style-type: none"> <li>• Service delivery adversely affected</li> <li>• Criticism from inspection / audit</li> <li>• Slippage on key projects</li> <li>• Dissatisfied customers</li> </ul>
36	D3	North Weald Airfield Bund	The bund has low to moderate likelihood of failure which may result in slump extending to the kerb of the M11 motorway.	Failure of the bund.	<ul style="list-style-type: none"> <li>• Failure of the bund leads to disruption on the M11 motorway.</li> <li>• Failure of the bund may lead to injury or damage to property.</li> <li>• Insurance claim against the Council.</li> <li>• Reputational damage.</li> </ul>
36	E2	Depot Accommodation	That the Council is unable to provide appropriate and safe accommodation for all contracted depot users.	Depot sites disposed of prior to replacement facilities being available.	<ul style="list-style-type: none"> <li>• Adverse impact on service delivery</li> <li>• Increased costs and legal implications</li> <li>• Council criticised</li> </ul>

No	Rating	Short name	Vulnerability	Trigger	Consequence
14	E3	Key initiatives resisted / delayed by culture of authority	<p>There is a view that the authority needs to significantly change means of service delivery to meet the ever-changing demands of the wider community, and the requirements of the government agenda.</p> <p>Implementing this will require a significant culture change across the authority, and strong consistent leadership from senior levels of the Authority.</p>	Key initiatives e.g. shared services resisted / delayed by current culture within the authority	<ul style="list-style-type: none"> <li>• Initiatives / plans not achieved</li> <li>• Failure to make savings, reduce duplications and make continuous improvements</li> <li>• Adverse effect on performance</li> <li>• Censure by audit/inspection</li> <li>• Image of council damaged</li> </ul>

## Appendix 2 – Action Plans

RISK NO.	CURRENT RISK SCORE	TARGET RISK SCORE	CLUSTER NAME
8, 9A, 28	C 2	C 3	Business Continuity Planning
26, 27, 30, 34, 35	A 2/ C 2/ D 2	D 2	Financial pressures
11, 33	A 3/ D 2	A 4	Local housing needs
3, 29	B 2 / C 2	D 2	Local Plan
20	C 2	D 2	Key Contracts
17	D 2	E 2	Capital receipts spent on non revenue generating assets
18	D 2	E 2	Loss or theft of data
37	D2	E 2	Local Land and Property Gazetteer

Risk No.	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
27	Shortfall in key income streams						
	Monitoring of both investment returns and income	Effective to date, as revised estimates have allowed for necessary changes	Continue to monitor and seek to diversify income streams.	Cabinet All Directors	Avoid need to make severe budget cuts	Quarterly	None
30	Reduction in Government Funding						
	The Medium Term Financial Strategy is updated each year to identify any need for savings.	To date savings targets have been achieved.	As part of the 2013/14 budget process identify areas for review to achieve savings.	Leader of Council Chief Executive	Savings targets achieved with expenditure reductions over the medium term as part of a structured plan.	Quarterly	31/12/13
34	Changes to Benefit system						
	Joint Benefits and Housing working group established. Mitigation action plan developed.	Effective to date, but will only be fully tested from April 2013.	Working Group to continue and amend mitigation action plan as necessary.	Finance and Technology Portfolio Holder. Housing Portfolio Holder Director of Finance and ICT Director of Housing	A smooth implementation of welfare reforms. Minimise number and cost of redundancies.	Quarterly	31/03/13

<b>Risk No.</b>	<b>Existing controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
11	Unable to provide sufficient housing for local people						
	Requirement for 40% affordable housing on all large sites. Developments on green belt can result in more affordable housing. Council considers annual provision of grant to housing associations.	Meeting all housing need will not be addressed by existing control, but will help. Grant from the Council also assists.	Early identification of new sites as part of emerging Local Plan process.	Housing Portfolio Holder  Director of Housing	Whether housing need is significantly reduced.	Quarterly	None
3	Potential Difficulty producing Local Plan to timetable						
	Early engagement with key stakeholders, Managing workload and external staff recruitment, On-going joint working with Harlow Council	Timetable for delivery, which has key milestones in place.	Member approved framework required to progress inter-authority working.  Continued monitoring through dedicated Cabinet Committee.	Leader of Council  Planning Portfolio Holder  Director of Planning and Economic Development	Council retains control of the delivery arrangements at a local level.	Quarterly	30/09/13
8	Business Continuity Management						
	Most services already have business continuity plans in place and a separate flu pandemic plan has been developed.	The effectiveness of controls is assessed periodically through test and exercises.	Both corporate and service business continuity plans are being updated. Cabinet has approved measures to enhance the resilience of ICT.	Support Services Portfolio Holder  Chief Executive	Having plans in place which are proved fit for purpose either by events or external scrutiny.	Quarterly	None

Risk No.	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
9 A	Depot Manager						
	An officer group meets to co-ordinate management issues at Langston Road.	No serious incident to date.	Evaluate need to unify management of site under one individual.	Asset Management and Economic Development Portfolio Holder  Chief Executive	Avoidance of accidents/conflicts.	Quarterly	None
20	Key contract collapses or service levels deteriorate						
	Systems for contract monitoring in place. Contingency plans exist to deal with contract failure.	Contract monitoring established. Business continuity planning has proved effective in waste management.	Continue existing contract monitoring procedures for extended contracts.	Leisure & Wellbeing People Portfolio Holder  Environment Portfolio Holder  Director of Environment and Street Scene	No significant impacts on service delivery from any contract failures.	Quarterly	None
28	Workforce Development Planning						
	A Council wide initiative on Workforce Development Planning is now being pursued.	Staff capable of promotion on a temporary or permanent basis can generally be identified.	All Directorates need to analyse future skills gaps and plan to develop staff accordingly.	Cabinet  All Directors	No disruption to service provision caused by retirements.	Quarterly	None
35	Budget reductions						
	Some service reviews already underway.	Service reviews have successfully identified savings required for 13/14.	Identify saving required for 2014/15.	Leader of Council  Chief Executive.	Required net savings achieved.	Quarterly	31/12/13

Risk No.	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
29	Gypsy Roma Traveller Provision						
	<ul style="list-style-type: none"> <li>- Timely adoption of a revised GTAA,</li> <li>- Additional 1 year post agreed to support Forward Planning Section,</li> <li>- Early engagement with key stakeholders</li> <li>- Joint working (external and internal) and enforcing on such incidents</li> </ul>	<p>Implementation of the GTAA, but effectiveness depends on planning appeal success rate, which is decided by The Planning Inspectorate.</p> <p>Changes required in Government policy to effectively controlled incidents</p>	<p>Part of the Local Plan timetable for engagement and decision making.</p> <p>Evidence base for GTAA needs to be agreed.</p>	<p>Leader of Council Planning Portfolio Holder</p> <p>Director of Planning and Economic Development</p>	<p>Timely delivery of the Local Plan and appeal success rate.</p> <p>Successful management of incidents.</p>	Quarterly	30/09/13
17	Significant amount of capital receipts spent on nonrevenue generating assets						
	Five year capital programme prepared which includes resources.	Effective to date as even with £83M capital programme over 5 years over £7.8M of usable receipts anticipated at end of period.	Continue to highlight consequences of all new capital schemes.	<p>Finance &amp; Technology Portfolio Holder</p> <p>Chief Executive</p>	Maintenance of adequate capital and revenue balances.	Quarterly	31/12/13

Risk No.	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
26	Investments						
	Lending is controlled in accordance with the Treasury Management Strategy, which is structured on levels of credit ratings.	To date there has been one failure where the Council is at risk of some loss.	Ensure all credit rating updates are promptly reflected in the counter party list and in considering alternative investments give highest weighting to security.	Finance & Technology Development Portfolio Holder  Director of Finance & ICT	No further counter party failures that put Council funds at risk.	Quarterly	None
33	Reform of Housing Revenue Account						
	Detailed financial modelling undertaken. Representations made to CIPFA and CLG.	Effective to date but debt settlement could be reopened.	Continue to make representations and respond to consultations.	Housing Portfolio Holder.  Finance and Technology Development Portfolio Holder.  Director of Finance and ICT  Director of Housing	Sustainable level of debt agreed.  No serious impact on general fund.	Quarterly	None



Risk No.	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
18	Loss or theft of data						
	<p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Data Protection Officer seeking to raise awareness amongst all officers of issues in relation to the need to ensure the security of personal data.</p>	Generally effective to date.	<p>Controls in the agenda publication system have been strengthened and staff have been reminded of the additional care needed when dealing with confidential documents.</p> <p>Revised Corporate Data Protection Policy considered by Management Board (28.11.2012)</p> <p>Data Protection e-learning module to be rolled-out for compulsory staff completion every two years.</p> <p>Data protection arrangements included within Audit plan for 2012/13.</p>	<p>Finance &amp; Technology Portfolio Holder</p> <p>Director of Finance &amp; ICT</p> <p>Senior Information Risk Owner (Deputy Chief Executive)</p> <p>Data Protection Officer</p>	<p>No data loss or system downtime due to unauthorised access of EFDC systems or data.</p> <p>Continued security of personal data held by the Council in accordance with the Data Protection Act 1998.</p>	Quarterly	None

<b>Risk No.</b>	<b>Existing controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
37	Gazetteer						
	Local Land and Property Gazetteer (LLPG) improvement plan in place including support arrangements from GeoPlace LLP.  Supplementary estimate approved by Council 19/02/13.	Monitoring of LLPG Improvement Plan by GIS/Mapping/Gazetteer (GMG) Team and Business Manager (PED)	Priority status by GMG Project Team  Progress reports to Management Board	Director of Environment and Street Scene  Director of Planning and Economic Development	Achievement of at least Silver Standard	Monthly	30/04/13

Corporate Risk Time Line  
14/06/2010 - 21/03/2013

Appendix 2

Risk Number	Risk Name	Register date												
		21/03/13	21/01/13	20/11/12	25/06/12	19/03/12	21/11/11	20/06/11	21/03/11	17/01/11	27/09/10	14/06/10		
27	Shortfall in key income streams	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *
30	Reduction in Government Grant	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *	A2 *
34	Changes to the Benefit system	A2 *	A2 *	A2 *	A2 *	B3 *	B3 *	B3 *	B3 *	B3 *	B3 *	B3 *	B3 *	B3 *
11	Unable to provide sufficient housing for local people	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *	A3 *
3	Potential difficulty in producing Local Plan to timetable	B2 *	B2 *	B2 *	B2 *	C2 *	C2 *	C2 *	B1 *	B1 *	B1 *	B1 *	B1 *	B1 *
8	Business Continuity Management	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *
9A	Depot manager	C2 *	C2 *	C2 *	C2 *	C2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *
20	Key contract collapses or service levels deteriorate	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	B2 *	B2 *	B2 *	B2 *	B2 *	B2 *	B2 *
28	Workforce Development Plan	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *
29	Gypsy Roma Traveller Provision	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C3	C3	C3	C3	C3	C3	C3
35	Budget reductions	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *
17	Significant amount of capital receipts spent on non revenue generating assets	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *
18	Loss or theft of data	D2 *	D2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *	C2 *
26	Investments	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *
33	Reform of Housing Revenue Account	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *
37	Local Land & Property Gazetteer	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *	D2 *
13	Key objectives not delivered due to capacity issues	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3
22	Key partnership fails	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3
23	Fraud	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3
2	Inconsistent approach to procurement	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3
5	Local Government Reorganisation which is detrimental to the Council and Community	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3
15	Sickness absence	D3	D3	D3	C3	C3	C3	C3	C3	C3	C3	C3	C3	C3
24	Cash balances	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3
36	North Weald Airfield Bund	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3	D3
9B	Depot accommodation	E2	E2	E2	E2	E2	E2 *	E2 *	E2 *	E2 *	E2 *	E2 *	E2 *	E2 *
14	Key initiatives resisted / delayed by culture of authority	E3	E3	E3	E3	E3	E3	E3	E3	E3	E3	E3	E3	E3

\*Above tolerance line

Risks 9A & 9B previously one risk (9), now split to reflect the different likelihood

Risk Number	Risk Name	21/03/13	21/01/13	20/11/12	25/06/12	19/03/12	21/11/11	20/06/11	21/03/11	17/01/11	27/09/10	14/06/10
1	Deleted Risk Recruitment restrictions		C3	C3	C3	C3	C3	C3	C3	C3	C3	C3

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**Epping Forest District Council**

**Risk Management & Assurance Group Terms of Reference**

**Who we are, what we do and for whom**

The group will consist of: Senior Managers (Champions) from all directorates, Emergency Planning, Health & Safety, Audit and other Council staff as required from time to time.

The meetings will be chaired by the Director of Finance & ICT, with the Senior Finance Officer (Insurance & Risk) as deputy.

**Aims & Objectives**

1. Draw upon the recognised risk management disciplines from across the Council and from external advisors or consultants to provide a cohesive service to the corporate body and service departments.
2. Maintain a formal framework for the management of risks in terms of the strategic and operational hazards.
3. To train and support the Group members as “Champions” for risk management within their own directorates, and to support any directorate sub groups.
4. Disseminate information and guidance to directorates, Council management team and Members on a regular basis, including information on initiatives, developments and action plans.
5. To advise via “Champions” and other means on any changing requirements on the reporting or assessment of risk. Arising from HM Treasury requirements, District Audit, or cases of private or public sector best practice.
6. To regularly review the completeness and accuracy of the corporate risk register, through discussions with individual managers of the risk under their direct control.
7. To regularly report and offer appropriate assurance or warning to the Chief Executive, the officer Corporate Governance Group and Members on the management of risk throughout the Council.

However, it is acknowledged that it is the responsibility of every manager to implement the Council’s Risk Management Policy and support the group in its activities. Individual managers have responsibility and accountability for identifying, assessing and managing the risks that threaten their area of activity.

Individual responsibilities are detailed in the constitution and the work of this group does not remove or replace the responsibilities listed in the constitution. A summary of the responsibilities from the constitution is attached as Appendix One.

## **Epping Forest District Council**

### **Risk Management & Assurance Group Terms of Reference**

#### **Responsibilities of the Head of Paid Service**

- 1.1 To promote the authority's risk management policy statement.

#### **Responsibilities of the Chief Finance Officer**

- 1.2 To develop risk management controls in conjunction with other Chief Officers.
- 1.3 To chair the corporate Risk Management Group.
- 1.4 To arrange appropriate training for staff and Members.

#### **Responsibilities of Chief Officers**

- 1.5 To take responsibility for risk management, within their service having regard to advice from the Chief Finance Officer and other specialist officers (eg crime prevention, fire prevention, health and safety).
- 1.6 To ensure that there are regular reviews of risk within their service areas.
- 1.7 To nominate a senior member of staff to represent the service at the corporate Risk Management Group.
- 1.8 To provide guidance to staff on the application and principles of risk management in their service.

#### **Responsibilities of Individuals**

- 1.9 To conduct their duties having due regard to the principles of risk management, as set out above, and to seek guidance from their Head of Service where necessary.

#### **Responsibilities of the Finance & Performance Management Cabinet Committee**

- 1.10 To propose the authority's risk management strategy and policy statement, on the advice of the Head of Paid Service, the Chief Finance Officer and appropriate Chief Officers, for adoption by the Cabinet.
- 1.11 To advise the Cabinet on proper insurance cover on the advice of the Chief Finance Officer.

#### **Responsibilities of the Audit & Governance Committee**

- 1.12 To conduct an annual review of the effectiveness of the Council's arrangements for risk management.

**Epping Forest District Council****Risk Management Strategy****Definition**

For the purpose of this strategy, risk is defined as something that may have an impact on the achievement of the Council's objectives and affect service delivery to the community.

**Objective**

The aims of risk management for the Council are to:

- Use risk management to promote innovation as well as to help secure existing objectives.
- Achieve a systematic, holistic and consistent approach to identifying and analysing risks which will be an integral part of all key management processes, rather than a separate initiative and will be developed using the simplest possible means.
- Embed risk management as an integral part of service, strategic and project planning and decision making.
- Establish an effective and explicit system of risk identification, analysis and control.
- Embed the process within our established business planning process.

Achieving these aims will:

- Contribute to sustainable improvements in services and the achievement of best value.
- Ensure the delivery and continuity of our services.
- Reduce the number and cost of claims arising and improve our ability to defend them.

**Organisation**

The Finance and Performance Management Cabinet Committee will consider the Council's risk management strategy on an annual basis and recommend it to Cabinet for adoption. The Audit and Governance Committee will monitor and review the effectiveness of the risk management measures put in place. The Director of Finance and ICT has strategic responsibility for risk management and the Finance and Technology Portfolio Holder fulfils the role of Lead Member for risk management.

To assist:

- The Risk Management Group will advise and support in the context of risks likely to have a significant impact on the achievement of the Council's objectives. The representatives on the Risk Management Group from each directorate will champion the risk management process within their directorate.

- Primary responsibility for identifying and managing significant operational and strategic risks arising from their directorate activities lies with the Directors, who should ensure that their teams carry out and record risk assessments where appropriate as a routine part of business planning and management activities.
- Any significant changes in risks and or assessments are to be notified by the relevant champion of that service to the Risk Management Group.
- Directors should notify the Director of Finance and ICT of any significant changes in service provision in order to enable them to ensure that appropriate and adequate insurance is in place.
- The Director of Finance and ICT is responsible, in conjunction with the Council's Brokers and Insurers, for:
  - Minimising the overall cost of inevitable claims which do arise;
  - Supporting the risk management programme by supplying any advice and data both statistical and anecdotal, to Directors;
  - Facilitating Risk Management training for Directors and Champions;
  - Circulation and review of the Risk Management Strategy;
  - The Chief Internal Auditor is responsible for monitoring the implementation and the effectiveness of the risk management strategy and for monitoring compliance with controls introduced by directorates, as part of the ongoing audit programme. Internal Audit will communicate the management implications during the course of Audits and report to Directors as necessary.

### **Arrangements**

- The Risk Management Group will report annually to the Finance and Performance Management Cabinet Committee to update the Risk Management Strategy. The Audit and Governance Committee will consider the effectiveness of risk management measures annually.
- Service plans will include operational risks and action plans. The Risk Management Group and the Corporate Governance Group will monitor and review strategic level risk management actions.
- Risk management training will be provided to Members, Directors, Champions and other senior managers, with the aim of ensuring that they have the appropriate skills necessary to identify, evaluate and control risks associated with the services they provide. Training will be provided through the Finance and ICT Directorate.
- This strategy will be clearly communicated to members and staff and will be subject to review on an annual basis by the Risk Management Group.



**Epping Forest District Council**

**Risk Management Policy Statement**

Epping Forest District Council has finite resources and both employees and property of the Council are valuable assets that must be safeguarded. We have a duty to employees and the public to operate in such a manner that the risk of injury and damage to property is minimised so far as is reasonably practicable, thus ensuring our continued ability to deliver services to local residents and the business community.

The Council will take all reasonable measures to protect and preserve all property and other assets and to avoid the risk of injury to employees and the public alike.

The Council will develop its risk management programme to:

- Identify and assess on an ongoing basis the risks to which it is exposed
- Implement the most appropriate and cost effective measures to avoid, minimise and control those risks
- Use efficient and cost effective risk management as a tool in achieving best value across its services
- Comply with legislation

Thus benefiting the whole community.

It is the responsibility of every manager to implement the Council's Risk Management Policy and all managers have responsibility and accountability for identifying, assessing and managing the risks that threaten their area of activity.

All staff must take a proactive part in this initiative, which has the full backing of the Council, its Members, the Corporate Executive Forum and the Management Board.

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## **Report to the Finance & Performance Management Cabinet Committee**



**Epping Forest  
District Council**

**Report reference: FPM-026-2012/13**

**Date of meeting: 21 March 2013**

**Portfolio: Finance & Technology**

**Subject: Quarterly Financial Monitoring – October to December 2012.**

**Responsible Officer: Peter Maddock (01992 564602)**

**Democratic Services: Gary Woodhall (01992 564246)**

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

**(1) That the Cabinet Committee notes the revenue and capital financial monitoring report for the third quarter of 2012/13.**

### **Executive Summary**

The report provides a comparison between the Revised Estimates for the period ended 31 December 2012 and the actual expenditure or income as applicable.

### **Reasons for proposed decision**

To note the third quarter financial monitoring report for 2012/13.

### **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 third quarterly report for 2012/13 and covers the period from 1 April 2012 to 31 December 2012. The reports are presented based on which directorate is responsible for delivering the services to which the budgets relate.

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 – 9)**

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 £112,000 or 0.8%. This is similar to 2011/12 which was £110,000 or 0.8%.

4. The largest variances show underspends of 1.8% within Housing Services and Building Control. The variance within Housing is £72,000 primarily the Works Unit. The variance within Building Control is minimal in monetary terms.

5. Investment interest levels in 2012/13 are in line with expectations at quarter 3, and significantly below the prior year. There is no obvious sign of rates improving even in the longer term at the moment. Investment returns in the prior year were higher as there were

still some longer term deals maturing at better rates than those available now.

6. The Council had received £1.872m of the original £2.5m investment placed with Heritable Bank as at 30 December 2012, this now brings the recovery up to 74.5%. A further payment of £68,000 was made in January bringing this figure to £1.940m (77.6%). Indications are that the Council can still expect to recover between 86 and 90% of the original investment. The final payment is not due to be received until April 2013.

7. Development Control income at Month 9 is £6,000 above the updated position. The original budget was adjusted downwards by £42,000 however December and January were reasonably good months and the outturn now looks likely to fall between the Original Estimate and Probable Outturn figures.

8. Building Control income is £4,000 higher than the Probable Outturn figure though this is a significant reduction on the Original Position and income in November and December was particularly low. However January was rather better and although a deficit on the account for the year now looks a distinct possibility there is an accumulated surplus from previous years to set against this.

9. Both Hackney Carriage and other licensing is ahead of the revised expectations, the budgets were adjusted upwards slightly and these income levels look likely to be met.

10. Income from MOT's is in line with the probable outturn though this was reduced by £20,000 to £240,000. The operation is still expected to return a surplus for the General Fund albeit much reduced compared to previous years and probably around the revised position of £11,000.

11. Local Land Charge income is in line with the revised expectation, which is £20,000 higher at £190,000. This level should be met. There is though still significant uncertainty surrounding the future for charging for these services which may or may not be resolved during the financial year.

12. Most income relating to the Industrial Estates and Business Premises for 2012/13 has now been invoiced as rent is generally due in advance. Indeed both areas show income marginally higher than the full year budget.

13. The Housing Repairs Fund shows an underspend of £185,000. Due to seasonal factors this underspend is expected to reduce as the final quarter progresses.

14. Payments to the Waste Management and Leisure Management contractor have been in line with expectations and variances are minimal.

15. The budgets have been revisited and a number of budgets adjusted in line with expectations. Having said that the Probable Outturn assumes a small usage of the General Fund balance (£44,000) and based on current indications the outturn will probably now be a bit better than this.

#### Capital Budgets (Annex 10 - 16)

16. Tables for capital expenditure monitoring purposes (annex 10 -16) are included for the nine months to 31 December. There is a brief commentary on each item highlighting the scheme progress.

17. The full year budget for comparison purposes is the latest agreed position.

#### Major Capital Schemes

18. The Limes Farm Hall Development has been completed sometime but the final account is still to be determined, there is a table and related commentary at annex 17.

## Conclusion

19. Generally income is down on expectations but expenditure is too. Overall at this time it appears unlikely that there will be a significant variance on the estimated usage of reserves for the year.

20. The Committee is asked to note the position on both revenue and capital budgets as at Month 9.

### **Resource Implications:**

The Probable Outturn assumes that around £44,000 will be taken from the General Fund Balance which at 1 April 2012 stood at £9.201m. If this was the final position the balance would be £9.157m at 31 March 2013.

### **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.

### **Consultations Undertaken:**

This report has been circulated to Portfolio-holders. An oral update will be provided to cover any additional comments or information received from Portfolio-holders.

### **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.

#### Equality and Diversity

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

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

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

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

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DECEMBER 2012 - SALARIES

<u>DIRECTORATE</u>	<u>2012/13</u>			<u>2011/12</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 31/12/12</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 31/12/11</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>
	<u>£000</u>	<u>(REVISED)</u>	<u>(REVISED)</u>		<u>(REVISED)</u>	<u>(REVISED)</u>
		<u>£000</u>	<u>%</u>	<u>£000</u>	<u>£000</u>	<u>%</u>
OFFICE OF THE CHIEF EXECUTIVE	527	527	0.0	481	480	0.2
DEPUTY CHIEF EXECUTIVE *	1,073	1,068	0.5	1,080	1,084	-0.4
CORPORATE SUPPORT SERVICE DIRECTORATE	1,867	1,877	-0.5	1,877	1,870	0.4
FINANCE & ICT DIRECTORATE	2,830	2,842	-0.4	2,952	2,960	-0.3
HOUSING DIRECTORATE *	3,860	3,932	-1.8	3,751	3,827	-2.0
ENVIRONMENT & STREET SCENE DIRECTORATE *	2,485	2,499	-0.6	2,528	2,543	-0.6
PLANNING & ECONOMIC DEVELOPMENT DIRECTORATE (Less Building Control)	1,347	1,353	-0.4	1,270	1,284	-1.1
BUILDING CONTROL	163	166	-1.8	160	161	-0.6
<b>TOTAL</b>	<b>14,152</b>	<b>14,264</b>	<b>-0.8</b>	<b>14,099</b>	<b>14,209</b>	<b>-0.8</b>

\* Agency costs are included in the salaries expenditure.

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Grants to Voluntary Groups	132	80	82	77	2	3	Grants carried forward from previous years as committed amount to £42,780, of which £16,172 is still outstanding at the end of Quarter 3. Most of this is expected to be spent but is subject to satisfying the Grant conditions. Grants approved to the third quarter amount to £65,887 of which £48,287 has been paid out. Grants are paid out on completion of the project, or in stage payments as work is completed for larger applications. It is therefore inappropriate to make comparisons with previous years.
Voluntary Sector Support	166	153	153	153	0	0	The figures include grants to the CAB and VAEF which are paid twice yearly in 50% instalments in April and October. There have been no increases in the contribution to these organisations in 2012/13.
	298	233	235	230			



DIRECTORATE FINANCIAL MONITORING - CORPORATE SUPPORT SERVICES

	12/13	Third Quarter			12/13		Comments
	Full Year	12/13	12/13	11/12	Variance		
	Budget	Budget	Actual	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	446	200	161	165	-39	-20	The full year budget now includes significant DDF expenditure items previously allocated to the Civic Offices. The work programme for the year is expected to be completed and the money spent by the end of the financial year.
	446	200	161	165			

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
Major income items:							
Hackney Carriages	185	139	144	146	5	4	The number of applications for driver and vehicle licences for Quarter 3 has reduced slightly, however the revised budget for 2012/13 is still expected to be achieved.
Licensing & Registrations	115	86	100	93	14	16	The third quarter of 2012/13 has seen increased levels of fee income compared to the first three quarters of the previous year. The budget is profiled in equal twelfths and does not reflect the cycle of annual renewals which are due in November, but can occur between September and December.
Fleet Operations MOTs	240	180	181	220	1	0	MOTs are undertaken by the Fleet Operations Unit at Langston Road depot. There has been a significant reduction in the number of tests performed at the centre compared to previous years as local motor dealerships have started undertaking their own tests, which has significantly affected income in the current year 2012/13.
Local Land Charges	190	143	142	147	-1	-1	Local Land Charge income is broadly in line with last year and on target with the budget to date. Additional income from official Council Land searches, which are now increasing, has offset the loss of income from personal searches, where the Council can no longer make a charge due to a Government direction. Legal proceedings are ongoing where the Local Government Association is acting on behalf of most local authorities in defending claims from private search companies for the refund of fees previously charged by councils.
	730	548	568	606			

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,348	1,344	1,353	911	9	1	Rents from the Industrial units at Brooker Road, Oakwood Hill, Oakwood Hill Workshop units and Langston Road, are above target with the third quarter including income billed in advance for the fourth quarter. The 2012/13 probable outturn and actual includes additional rental income mainly relating to Brooker Road where vacant units have now been let, and a significant rent review has been agreed for one tenant. This is now included in the budget with relevant arrears.
Business Premises - Shops	1,780	1,780	1,785	1,783	5	0	This income relates to non housing assets which were transferred from the HRA on 31 March 2011. The assets are shops, a petrol station, public houses and three doctors surgeries. Income is in line with last year and on target for this year. Rents are billed in advance for the fourth quarter.
Land & Property	169	65	67	60	2	3	Commission is received from the David Lloyd Centre based on their turnover. The actual is above the same period last year due to an increase in commission receivable. Income relating to 2012/13 will be accounted for at the end of the year, but not received until the mid part of 2013/14. Other income relates to unappropriated land and wayleaves.
	3,297	3,189	3,205	2,754			

## 2012/13 DIRECTORATE FINANCIAL MONITORING - PLANNING &amp; ECONOMIC DEVELOPMENT

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Forward Planning	598	448	220	27	-228	-51	After a significant period of uncertainty and lack of government direction, work commenced on the Local Plan. Consultation on the issues and options has recently been completed. The current revised expenditure in 2012/13 is £598,000, and it is expected that publication of the emerging Local Plan for consultation will occur in early Autumn 2013, with adoption in early 2014. Spending is lower than expected with a carry forward of at least £200,000 likely.
	598	448	220	27			
<u>Major income items</u>							
Development Control	528	381	387	403	6	2	Development control income which is profiled on a three year average, is significantly lower than the previous year due to a fall in the number of planning applications received. The Government's proposed change to planning charges has now been abandoned and an inflationary increase of 15% from November 2012 was introduced.
Building Control Fee Earning	378	284	288	396	4	1	Building Control fees, which are profiled on the average of the previous three years, are on target with the revised budget for 2012/13, but significantly lower than the third quarter of 2011/12 due to the reduced level of building activity and applications. The probable outturn is £150,000 less than the original estimate 2012/13. Urgent cost cutting measures have been initiated and additional income is being sought from possible new areas.
	907	665	675	799			

## 2012/13 DIRECTORATE FINANCIAL MONITORING - FINANCE &amp; ICT

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Information Technology	756	703	654	659	-49	-7	Expenditure is currently inline with both the prior year actual and prior year budget spending profile.
Telephones	176	132	125	122	-7	-5	Expenditure on telephones in the third quarter is in line with the previous year, and marginally below budget. Expenditure on equipment is slightly underspent.
Bank & Audit Charges	203	126	126	115	0	0	The expenditure to date in the third quarter includes invoices for two quarters of the PKF Audit fee, with the third quarter due and payable in the fourth quarter and the final quarter being accrued at the year end.
	1,135	961	905	896			
<u>Major income items:</u>							
Investment Income	513	385	385	497	0	0	Investment income in 2012/13 is lower than budgetted for in the previous year, but up in line with the third quarter estimate. There is quite a restricted list of counterparties and lending has generally been fairly short term. Also rates are still extremely low and show no sign of improvement.
	513	385	385	497			

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	93	54	55	60	1	2	There has been a saving on Non Domestic Rates in the current financial year

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
		<u>Major expenditure items</u>					
Bed & Breakfast Accommodation	113	86	84	31	-2	-2	No major variances in the year. The variance between years is due to an increase in the numbers being supported. This increase is being experienced throughout Essex authorities due in part to the economic crisis and the onset of welfare reforms.
<u>Major income items</u>							
Bed & Breakfast Accommodation	107	80	82	33	2	3	

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Refuse Collection	1,415	841	820	799	-21	-2	In both 2012/13 and 2011/12 seven months contract costs are included, the variance relates to the annual inflationary increase on the contract. The variance in 2012/13 relates to publicity costs and the annual uplift for 2012/13 which was not finalised until February.
Street Cleansing	1,412	850	841	805	-9	-1	
Recycling	3,167	2,012	1,956	2,433	-56	-3	The variances for the year relates in part to the annual uplift and an underspend on garden sacks. The variance between years is as a result of the reduction in gate fees.
Highways General Fund	368	123	85	72	-38	-31	The variance relates to underspend on tree maintenance.
Off Street Parking	475	378	357	350	-21	-6	As last year car park maintenance is underspent. There tends to be more work required in the last quarter particularly after winter weather damage.
On Street Parking	219	219	217	291	-2	-1	The contract with the North Essex Parking Partnership (NEPP) was effective from 1 October 2012. No further expenditure will be occurring
North Weald Centre	349	167	149	121	-18	-11	The variance relates to lower maintenance and utility costs.
Land Drainage & Contaminated Land	166	95	70	61	-25	-26	The variance here relates to an underspend on Contaminated Land investigations. Some of this is DDF and may now require carry forward.
	7,571	4,685	4,495	4,932			



	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-89	-54	-54	-40	0	0	} No major variances
Epping Sports Centre	326	199	197	178	-2	-1	}
Waltham Abbey Pool	510	320	320	268	0	0	} No major variances
Ongar Sports Centre	299	184	184	169	0	0	}
	1,046	649	647	575			
<u>Major income items:</u>							
Refuse Collection	80	50	53	50	3	6	No Major Variances
Recycling	2,462	1,666	1,667	1,396	1	0	No major variance comparing 2012/13 actual to 2012/13 budget. The difference between years relates to 2011/12 only including two quarters of waste service enhancements and seven months of recycling credits, whilst 2012/13 includes three quarters and eight months respectively.
Off Street Parking	1,018	694	646	709	-48	-7	} The off street variance relates to Penalty Charge Notices (PCNs) income being below expectations. The on street variance between the two years is due to the service being returned to ECC control under the guidance of NEPP from 1 October 2012.
On Street Parking	286	286	284	426	-2	-1	}
North Weald Centre	1,275	1,111	1,080	1,116	-31	-3	Rental income is down due to tenants awaiting new leases before clearing arrears.
	5,121	3,807	3,730	3,697			

	12/13 Full Year Budget £'000	Third Quarter			12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	11/12 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	340	188	173	134	-15	-8	Expenditure is quite low on the publicity budget as the annual report to tenants will be printed towards the end of the financial year.
Housing Repairs	4,836	3,478	3,293	3,527	-185	-5	The underspend mainly relates to the responsive repairs and decorating allowances. The budget is profiled evenly across the year, as it is unknown when these items will arise.
Special Services	475	343	252	338	-91	-27	The main areas showing an underspend are: heating; lighting; and 2-Way Speech System. The variance between years, is from the reduction in gas and electricity budgets where Ninefield residents now have their own meters. The underspend on the two way speech system is mainly due to not having to purchase telecare equipment and the fact that there have been no significant issues with our warden call equipment.
Interest on Loans	5,547	2,773	2,773	0	0	0	The budget is in line with the interest payments and therefore there are no variances at the end of quarter 3.
	11,198	6,782	6,491	3,999			
<u>Major income items:</u>							
Non-Dwelling Rents	881	654	636	648	-18	-3	There are no major variances within the year.
Gross Dwelling Rent	29,168	21,315	21,319	20,126	4	0	The variance is due to a lower than expected number of void's.
	30,049	21,969	21,955	20,774			

2012/13 DIRECTORATE CAPITAL MONITORING -  
CORPORATE SUPPORT SERVICE

ANNEX 10

	12/13 Full Year Budget £'000	Third Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Planned Maintenance Programme - Council Office Works	288	203	164	-39	-19	This section covers all projects being undertaken at the Council offices within the Five Year Planned Maintenance Programme, including energy efficiency schemes. Several schemes are now complete at the civic offices including the extension of the CCTV security system, the upgrade of the toilets in the condor building, a new lighting and ceiling system in the ground and first floor condor corridors, new barriers in the car parks, the provision of fall arresting equipment in the Council chamber roof void and externally on the main roof. The new surface on the flat roof over the reception area of the Hemnall Street offices is also complete. In addition, work has commenced on several other schemes, except for the automatic doors, in the programme and these are all expected to be substantially finished by the end of the financial year. Approval to carry forward the budget for the automatic doors was granted at Cabinet on 4th February 2013. Further details on individual projects were given in the Five Year Planned Maintenance Review presented to Cabinet on 22 October 2012.
Planned Maintenance Programme - Other Works	59	37	30	-7	-19	This section covers all other capital projects carried out as part of the Council's Planned Maintenance Programme. The new Epping Sports Centre roof is now complete and all expenditure has been processed with the exception of a small amount of staff time which will be recharged at the year-end. The other schemes include resurfacing the yard at Townmead depot; constructing a disabled ramp and carrying out capital repairs to flat roof surfaces at the control tower at North Weald Airfield. Work on all these schemes are expected to be finished by the end of the financial year. Slippage on the environmental improvement works at the shops in Upshire Road, Waltham Abbey was addressed by Cabinet on the 4 February 2013 when approval was given to carry the budget forward into 2013/14.
Other Capital Investments	114	106	104	-2	-2	The £24,000 allocation for the new vehicle lift has been spent and the lift installed. This has now increased the capacity for MOT testing. Much of the expenditure relating to the Langston Road Development has gone through but works are yet to commence on the Waltham Abbey Swimming Pool which is awaiting a structural survey. All other budgets which were previously included in this section have been carried forward to 2013/14, as approved by Cabinet.
<b>Total</b>	<b>461</b>	<b>346</b>	<b>298</b>			

2012/13 DIRECTORATE CAPITAL MONITORING -  
FINANCE & ICT

ANNEX 11

	12/13 Full Year Budget	Third Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget	12/13 Actual	£'000	%	
	£'000	£'000	£'000	£'000		
ICT Projects	122	102	97	-5	-5	The budgets for ICT projects have experienced some slippage in the current financial year due to various delays encountered with the schemes. However, work on the project to convert from Groupwise to Outlook was completed earlier this year and the new system represents a big improvement on the old one. Further projects are progressing well including the ESS gazetteer system, desktop upgrades, information at work (phase 4) and the E-Financials upgrade. The other ICT schemes have been carried forward to 2013/14 as approved by Cabinet.
Waltham Abbey Payment Kiosk	25	0	0			The budget for this has been approved and the payment kiosk is expected to be installed before the end of the current financial year.
<b>Total</b>	<b>147</b>	<b>102</b>	<b>97</b>			

	12/13 Full Year Budget £'000	Third Quarter		12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Waste Management Equipment & Vehicles	803	40	32	-8	0	This originally included a budget of £1,070,000 to replace 7 vehicles consisting of 5 freighters and 2 mechanical sweepers. The 5 freighters have now been purchased in January 2013 at a cost of £743,000 and have joined the Council's fleet. Tenders have also been invited for the 2 mechanical sweepers and these are expected to be delivered in 2013/14; a carry forward of £327,000 has been approved. In addition to the vehicles budget, there is an allocation of £60,000 in this year for the provision of new waste and recycling containers, £32,000 of this has been spent so far.
Parking Reviews	43	0	-2	-2	0	Epping parking review is now finished although some works are being carried out to remedy minor snagging issues. Savings are anticipated; any such underspend will be addressed once all outstanding payments are made. A budget allocation of £22,000 has been made for the Buckhurst Hill parking scheme in 2012/13. This is to allow Essex Highways to carry out enabling works on the scheme. Loughton Broadway Parking Review scheme will commence once Buckhurst Hill is completed.
North Weald Airfield	75	60	56	-4	-7	A schedule of capital improvement works to be carried out at North Weald Airfield were jointly agreed with the market operators at the beginning of the year; this work being fully funded from contributions made by the market operator. However, the rates were re-negotiated during the year and a freeze was placed on capital contributions from Hughmark. As a result, only essential capital works will be carried out for the foreseeable future, the costs of which will be financed from balances. No funding issues are anticipated at this time.
Other Environmental works	262	20	16	-4	N/A	The majority of this budget relates to works at the Loughton Leisure Centre Changing Village. This work has now been completed, although there are some minor snagging works which are being addressed. One payment of £90,000 is being processed and the Council is receiving the benefit of revenue reduction in management fee to the leisure contractor from January 2013. The other £22,000 budget is for the installation and upgrade of CCTV cameras, most of which has been spent.
Grounds Maintenance Vehicles	174	174	174	0	0	All new mowers which replaced previously leased vehicles have now been purchased within the approved budget of £124,000. The remaining budget of £50,000, which was increased from £30,000, represents the on-going vehicle and equipment replacement programme which has been in place for many years. The budget for both the mowers and the replacement programme has now been fully spent for this financial year.
<b>Total</b>	<b>1,357</b>	<b>294</b>	<b>276</b>			

	12/13	Third Quarter		12/13		Comments
	Full Year	12/13	12/13	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Limes Farm Hall Development	40	2	1	-1	-37	See comments on the major schemes schedule.
Waltham Abbey All Weather Pitch	495	350	309	-41	-12	Construction of the pitch at Waltham Abbey is well underway and the majority of expenditure has gone through. There is a slight delay as further works are dependent on having the correct weather conditions however it is fully expected to be completed in the current financial year.
Waltham Abbey Regeneration	65	45	30	-15	-33	The Regeneration Initiative consists of a number of projects managed and procured by Waltham Abbey Town Council. Two projects were completed in 2011/12 and one more has been completed so far this financial year; this being the renovation of the toilet block at Quaker Lane. The cost of this latest project was £30,000 and the payment was made in July 2012. Further developments have revealed that some elements of the regeneration scheme represent revenue expenditure and thus the capital budget has been reduced to £65,000. This budget includes the completed works on Quaker Lane and further schemes to be completed such as Market Square Gates, Meridian Line, Mosaics and Highbridge Shield.
<b>Total</b>	<b>600</b>	<b>397</b>	<b>340</b>			

	12/13 Full Year Budget £'000	Third Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Loughton Broadway CCTV	82	82	83	1	1	The works for the installation of new CCTV systems and the enhancement of existing systems started in April 2012 and is now complete.
<b>Total</b>	<b>82</b>	<b>82</b>	<b>83</b>			

	12/13 Full Year Budget	Third Quarter		12/13 Variance Budget v Actual		<u>Comments</u>
		12/13 Budget	12/13 Actual	£'000	%	
	£'000	£'000	£'000			
Home Ownership Schemes	374	187	161	-26	-14	The Open Market Shared Ownership Scheme, under which the Council provides interest-free loans to B3Living (formerly Broxbourne Housing Association) to enable first time buyers to purchase properties on the open market, currently consists of 2 phases. Phase 1 is almost complete and, due to its success, the implementation of phase 2 has been agreed by the housing portfolio holder and will commence in 2013/14. If this proves to be successful as well, an option of a third phase will be considered in a separate report at a future date.
Disabled Facilities Grants	210	158	121	-37	-23	Expenditure on Disabled Facilities Grants has been low in 2012/13 due to the reduced number of Occupational Therapist (OT) referrals received at the end of 2011/12 and the start of the current financial year. Although ECC has taken some action to address this by prioritising referrals from the District, expenditure will not reach the original levels expected. It was recommended that £100,000 was carried forward into 2013/14 and a more accurate assessment of likely expenditure in 2013/14 has been made. Although action has been taken by ECC to improve the OT situation, the effects of this are not likely to be seen in the short-term and nor is the solution likely to be sustainable long-term. As a result of this, it is not currently anticipated that expenditure will exceed £210,000 in 2012/13. ECC are aware of the Council's concerns and discussions are ongoing about how they will be addressed.
Other Private Sector Grants	220	170	157	-13	-8	Take up of the new discretionary grants has been slower than anticipated since the new Housing Assistance Policy was introduced earlier this year and, as a result expenditure has been lower than expected. The budget has been reduced to £220,000 to take this into account. It is hoped that demand will increase in 2013/14 as a result of further promotional activities.
Housing Estate Off Street Parking	118	100	73	-27	0	Off street parking schemes on council housing estates are jointly funded between the General Fund and the HRA. Although work has commenced on the second phase of three parking schemes, expenditure has been low to date and the budget has been reduced within both funds (General Fund and HRA) to reflect the slippage.
<b>Total</b>	<b>922</b>	<b>615</b>	<b>512</b>			



	12/13 Full Year Budget £'000	Third Quarter		12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Windows/Roofing / Asbestos / Water Tanks	2,127	1,486	1,388	-98	-7	Overall, expenditure in this category is slightly lower than expected mainly because expenditure on asbestos removal and roofing work is low. Expenditure on asbestos removal is unpredictable as work is demand led, which is why it is currently £45,000 under budget. Also expenditure on Roofing works is £58,000 lower than expected due to the consistent bad weather recently and the fact much of the construction industry was shut down over the Christmas period. Expenditure is expected to increase in the final quarter, coming in line with budget expectations. On the other hand expenditure on water-tank replacements is higher than expected due to an increase in ad-hoc replacements.
Heating/Rewiring	2,618	1,975	1,962	-13	-1	Overall expenditure on heating and rewiring is slightly lower than anticipated. The rewiring expenditure is £204,000 lower than expected, due to the unpredictable costs of the rewire element of works carried out during gas heating installations. On the other hand expenditure on gas heating is £148,000 over budget, which is due to an increase in gas heating installations carried out in properties with vertical flue arrangements following the changes in gas safety regulations. Expenditure on heating ventilation systems is under budget although demand for installations is expected to increase in quarter 4.
Housing Developments	38	19	15	-4	-19	Expenditure to date on the house building scheme is limited to the procurement fees associated with the tender process to appoint a development agent. The development agent is in place and will assist in formulating a house building strategy, feasibility study and submitting a Homes & Communities Agency partnership status application on behalf of the Council.
Service Enhancements	424	185	180	-5	-3	This budget consists of the capital allocation of service enhancements. The van for the handyperson scheme has been purchased and the smoke detector rewires are progressing well. The Locata system is likely to incur slippage into the next financial year, however the remaining schemes are expected to be completed within the current financial year.
Other Planned Maintenance	308	200	174	-25	-13	This category includes communal TV upgrades, energy efficiency measures, door entry systems, Norway House Improvements and works unit vehicle replacements. Overall, expenditure in this category is slightly lower than expected. Drainage expenditure is £18,000 lower than expected due to a transfer of responsibility to the water authorities, and door entry expenditure is also lower than expected. These budgets were reduced when the Council's budgets were presented to the Cabinet on 4th of February 2013. Conversely expenditure on energy efficiency measures has been higher than expected following completion of the external wall insulation pilot scheme and ad-hoc demand for energy efficiency measures and as a consequence this budget was increased when the Council's budgets were presented to the Cabinet on the 4th of February 2013.
<b>Total Planned Maintenance c/f</b>	<b>5,515</b>	<b>3,865</b>	<b>3,719</b>			

	12/13 Full Year Budget £'000	Third Quarter		12/13 Variance Budget v Actual		Comments
		12/13 Budget £'000	12/13 Actual £'000	£'000	%	
Total Planned Maintenance b/f	5,515	3,865	3,719			
Kitchen Replacements	1,215	1,200	1,111	-89	-7	Properties requiring kitchen replacements are identified from ongoing stock condition surveys following the Decent Homes Initiative in 2010. The need for planned work has reduced this financial year because there has been an increase in kitchen installations undertaken through the voids process. Furthermore, some replacements have been delayed due to tenant refusals and some kitchens are on-hold following management requests. To compensate, kitchens due for replacement in future years have been brought forward for completion in this financial year. Overall, however, expenditure will be lower than originally expected and £400,000 has been approved for carried forward to 2013/14 to allow for this. The current contract for kitchen replacements is due for renewal in early April 2013 with around 250 kitchen installations planned for 2013/14.
Bathroom Replacements	100	50	41	-9	-17	Bathroom replacements also are identified from ongoing stock condition surveys and the current need for complete bathroom replacements, despite using the Decent Homes Plus criteria, remains very low. This has resulted in a significant reduction in expenditure for this financial year. However, repairs and maintenance of the non-standard bathrooms on the Limes Farm estate are problematic and a programme of upgrades and replacement is planned. Despite this, a significant under-spend was identified and the budget has been reduced, with £300,000 transferred to Small Capital Repairs and a further £100,000 carried forward to 2013/14 which was detailed when the Council's budgets were presented to the Cabinet on the 4th of February 2013.
Council Estate Parking & Other Environmental Works	287	515	159	-356	-69	The largest project in this category is the off street parking schemes on Council-owned land. Work has been completed on the second phase of three parking schemes. A report on the outcome of the completed off street parking schemes and future off street parking schemes was presented to Cabinet in December 2012, with recommendations to proceed to the construction phase on two sites and outline design and resident consultation on a further five sites. The work on the second phase of schemes has been completed under-budget and £150,000 was approved for carried forward into 2013/14 by Cabinet on the 4 February 2013.
Void Refurbishments & Other Small Works	1,187	713	888	175	25	Void workload is demand-led and predicting the quality and condition of void properties is notoriously difficult. However, following the predicted rise in the volume of void Council properties, a £300,000 budget transfer from bathroom replacements was approved by Cabinet.
Structural & Other Works	718	515	496	-18	-4	The Council is monitoring a number of properties that are suffering with significant structural movement. As the Council does not insure against subsidence the costs of structural repairs can be high and difficult to predict. Despite this, expenditure is only slightly below budget and it is anticipated that costs will increase in the final quarter and the budget fully spent.
Disabled Adaptations	489	350	308	-42	-12	Due to the Christmas and New Year construction industry shut down, expenditure on disabled adaptations in Council dwellings reduced during quarter 3. However expenditure is expected to increase when works commence on large disabled adaptations property extensions. The additional allocation for disabled adaptations within the service enhancement budget is expected to be fully spent in the current financial year.
Garages	7	4	1	-2	-70	The budget for garages is expected to be fully utilised within the current financial year.
<b>Total HRA</b>	<b>9,518</b>	<b>7,212</b>	<b>6,723</b>			

2012/13 LIMES FARM HALL DEVELOPMENT											
Original Start Date	Original Finish Date	Actual Start Date	Actual Finish Date	Original Project Cost	Supplementary Estimates	Approved Budget	Actual Exp To Date	Anticipated Outturn	Variance to Original Cost	Variance to Approved Budget	
				£'000	£'000	£'000	£'000	£'000	%	%	
Mar-11	Aug-11	Apr-11	Feb-12	1,062	40	1,102	1,061	1,102	4%	0%	

Limes Farm Hall dates back to the 1970s and is located in the centre of the Limes Farm Estate in Chigwell. The Council owns the hall and has managed it since 1 April 2009 following 11 years of management by Chigwell Parish Council. At the time the hall was transferred back to EFDC, it was functional but was in need of significant investment to modernise and improve it both internally and externally. It also required a complete roof replacement. Having consulted with local residents and a range of partners it was agreed that Limes Farm would benefit from the provision of centralised multi-agency services.

Once the consultation exercise was completed, meetings were held on a regular basis with the partners to discuss potential future provision as a multi-agency hub both in terms of delivery at the site and outreach delivery across the estate. This resulted in a firm commitment from West Essex PCT (now known as SEPT - South Essex Partnership Trust) who were keen to transfer their clinic services to the central location from elsewhere on the estate and Essex County Council who were interested in extending their existing Children's Centre activity. It was agreed that the Council's Housing Service would transfer from a converted flat to the new facility and that the Housing Benefits Service would open a new service from Limes Farm to meet external Audit recommendations to improve access. Other partners involved in the development of the plans include the Limes Farm Community Association, Chigwell Parish Council, Limes Farm Infant and Junior Schools, East Potential and the Grange Farm Trust.

Following a development period of several months, a feasibility study was commissioned to produce a range of options and Cabinet agreed on a scheme to refurbish the existing hall and extend to the front and rear, which would double the size of the building. Following the tender process the building contract was awarded to Beardwell Construction in March 2011 and initial project meeting commenced immediately. At the beginning of the construction a delay of three weeks was experienced due to issues with asbestos removal from the site and then further delays were due to issues with steelwork fabrication and the installation of new electrical power cables by UK Power Network. The works were however complete by February 2012 and the Hall opened for business on 20th February.

The new building is of a high level specification and the construction works are seen as good value for money based on the final price of the contract. However, a significant amount of snagging still remains which has been held up due to the Council seeking Counsel's advice in respect of a legal challenge to the project management consultants responsible for the development.

The final account is still subject to negotiations but it is thought that the actual cost of the scheme will be higher than the original project estimate. To date, the Council has accounted for the two outstanding retentions totaling £26,000 due to Beardwell Construction and Norfolk Property Services Group as at 31 March 2012 by way of sundry creditors. Any settlement in excess of this total will represent an overspend on the original project budget. The anticipated outturn figure given in the table above has been updated since the last monitoring report to include a contingency sum of £40,000 approved by Cabinet in October. This sum represents the maximum additional funding anticipated as the Council is hoping that the final account settled will be lower than the final account submitted. Payment arrangements are still under negotiation and the full settlement will not be paid until all outstanding snagging items have been completed satisfactorily. It is anticipated that the final account and report will be presented to Cabinet in April 2013.

With regard to financing the project, a competitive application to the Essex County Council Extended Schools fund was successful which secured a grant of £270,000 towards the project. This grant has been applied in full to the capital works and the Council is financing the shortfall.

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