

## Select Committee Agenda



### **Resources Select Committee Tuesday, 12th April, 2016**

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

**Committee Room 1, Civic Offices, High Street, Epping  
on Tuesday, 12th April, 2016  
at 7.30 pm .**

**Glen Chipp  
Chief Executive**

**Democratic Services  
Officer**

A Hendry, Directorate of Governance  
email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk) Tel:  
01992 564246

#### **Members:**

Councillors G Mohindra (Chairman), P Keska (Vice-Chairman), K Angold-Stephens, N Bedford, S Kane, H Mann, A Mitchell, A Patel, S Watson and J M Whitehouse

**SUBSTITUTE NOMINATION DEADLINE:**

**18:30**

**1. APOLOGIES FOR ABSENCE**

**2. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

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

**3. NOTES OF THE LAST MEETING (Pages 3 - 10)**

To agree the notes of the last meeting held on 09 February 2016.

**4. DECLARATIONS OF INTEREST**

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

In considering whether to declare a personal or a prejudicial interest under the Code of Conduct, Overview & Scrutiny members are asked pay particular attention to

paragraph 11 of the Code in addition to the more familiar requirements.

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

Paragraph 11 does not refer to Cabinet decisions or attendance at an OS meeting purely for the purpose of answering questions or providing information on such a matter.

**5. TERMS OF REFERENCE AND WORK PROGRAMME (Pages 11 - 16)**

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

**6. PRESENTATION BY THE COUNCIL'S APPRENTICES**

To receive a short presentation from the Council's apprentices on their work and experiences at EFDC.

**7. NATIONAL GRADUATE SCHEME**

The receive a short presentation from the National Graduate appointee.

**8. KEY PERFORMANCE INDICATORS 2016/17 REVIEW AND TARGETS (Pages 17 - 22)**

(Director of Governance) to consider the attached report.

**9. QUARTERLY FINANCE MONITORING (Pages 23 - 48)**

(Director of Resources) to consider the attached report.

**10. ICT UPDATE (Pages 49 - 54)**

(Director of Resources) To consider the attached report.

**11. CALL HANDLING (Pages 55 - 60)**

(Director of Resources) To consider the attached report.

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

To consider which reports, if any, should be submitted to the Overview and Scrutiny Committee at its next meeting.

**EPPING FOREST DISTRICT COUNCIL  
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE  
HELD ON TUESDAY, 9 FEBRUARY 2016  
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING  
AT 6.30 - 7.10 PM**

**Members Present:** G Mohindra (Chairman), , S Kane, A Mitchell, C P Pond and S Watson

**Other members present:** J Philip and S Stavrou

**Apologies for Absence:** K Angold-Stephens, N Bedford, H Mann, A Patel and J M Whitehouse

**Officers Present** P Maddock (Assistant Director (Accountancy)), B Copson (Senior Performance Improvement Officer), J Twinn (Assistant Director Benefits) and A Hendry (Senior Democratic Services Officer)

**36. SUBSTITUTE MEMBERS (COUNCIL MINUTE 39 - 23.7.02)**

It was noted that Councillor C P Pond was substituting for Councillor H Mann.

**37. NOTES OF THE LAST MEETING**

The notes from the meeting on 14 December 2015 were agreed as a correct record.

**38. DECLARATIONS OF INTEREST**

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

**39. TERMS OF REFERENCE AND WORK PROGRAMME**

The Select Committee noted their terms of reference and work programme, noting that item 11 of the work programme, the quarterly financial monitoring, would now go to the April 2016 meeting.

**40. HOUSING BENEFIT FRAUD AND COMPLIANCE**

The Assistant Director, Benefits, Ms J Twinn, introduced her report on Housing Benefit Fraud and Compliance. The meeting noted that from 1 October 2015, the responsibility for the investigation of Housing Benefit fraud was transferred from the Authority to the Single Fraud Investigation Service (SFIS) which was part of the Fraud and Error Service within the Department for Work and Pensions (DWP). Responsibility for Local Council Tax Support fraud remained within the Authority and was investigated by the Corporate Fraud Team.

Four of the existing Benefit Investigators were transferred to the DWP under TUPE like legislation. Three of these were transferred to the Harlow DWP office and the other was transferred to the Basildon DWP office. The former Benefit Investigation Manager was now the Manager of the Council's Corporate Fraud Team and was the

only member of the former Benefit Investigation team who remained with the Authority. The transfer went smoothly.

If a referral was passed to SFIS for investigation, it could be allocated to any SFIS team and would not necessarily be investigated by the SFIS team in Harlow. As they had no documents relating to Housing Benefit, the Council were requested to provide all the documentation that it had. However, this had proved problematic as the Council needs to send the documents electronically but the DWP's IT system could not accept the file size that the Council needed to send. This has emerged as a problem for all Authorities which the DWP has not yet resolved. The Council either has to split it up into a lot of smaller emails or hand over the paperwork physically, but the amount of work this was causing was becoming a problem.

Any investigation that had been commenced prior 1 October 2015 was transferred to SFIS and re-allocated to the Officer who had commenced the investigation. 31 cases in total were transferred. Of these 4 have been closed, prosecution proceedings were being taken for 3, a Pension Credit decision was awaited for 3, 2 had been referred to the Compliance team, 3 had been transferred to the SFIS teams at Braintree, Hoxton and Stevenage, and the rest were ongoing investigations.

A Compliance team was created to carry out initial enquiries and clarify/obtain information relating to applications for Housing Benefit/Local Council Tax Support, and Liaison Officer posts were created with part of their duties being the liaison point between the Authority and SFIS.

Traditionally communication with the DWP was difficult because their staff were frequently moved to different roles and/or offices. It was therefore not possible to build any relationship with regard to any particular project or work stream. Communication with the SFIS team in Harlow had been good with regard to the cases that were transferred, but only because three members of the former Benefit Investigation team were currently based there. However, two of those are now transferring out of the Harlow office which means that future communication may not be so effective.

The Council's working practices have been changed to adapt to the lack of control over Housing Benefit fraud investigation and officers would continue to monitor the situation and make further changes if necessary. However, it was too early to determine exactly how effective the transfer to a single fraud investigation service would be in reducing fraud in the Housing Benefit system in the future.

The Chairman commented that prevention was better than prosecution for stopping problems getting into the benefits system. Ms Twinn said that they now tended to make a lot more decision up front.

The Chairman noted that the DWP saga had been dragging on for years and we should applaud our prevention strategy.

Councillor Stavrou said that this was the third year of our Compliance Scheme, set up with Essex County Council. It was now working with the DWP who were getting the funding for it. Ms Twinn added that this Council was now doing the work without the staffing or the funding.

**RESOLVED:**

That the current situation in regard to Housing Benefit Fraud and Compliance was noted by the Select Committee.

**41. DATA QUALITY STRATEGY 2016/17 TO 2018/19**

The Senior Performance Improvement Officer, Ms Copson, introduced the report on Data Quality Strategy (2016/17 to 2018/19). She noted that the Council needed timely, accurate and reliable data in order to manage activities and meet internal and external requirements to demonstrate accountability through accurate reporting. Data was used for the assessment of the Council's performance, including the Key Performance Indicators (KPIs). The Data Quality Strategy set out the arrangements for the next 3 years to ensure key data met the highest standards and was 'right first time'.

Good quality data was essential to support the Council's decision making especially decisions involving finance and performance. Additionally the Council's customers, partners and others interested in the Council's performance, needed to be able to rely on the data produced for evaluation purposes. The Council was also accountable for the money it spent and must manage competing claims on its resources. It therefore required data which was accurate, reliable and timely in order to plan for the future and meet customer needs.

The Council had identified principles and arrangements to ensure high standards of data quality and had for a number of years, formalized them within a strategy, to support consistency and encourage high standards of practice of data quality management. This revised strategy continued to reflect the principles for data quality originally identified by the former Audit Commission.

The Data Quality Principles were:

**Accuracy** – Data must be accurate for its intended purpose and be represented clearly and in sufficient detail to enable informed decision making.

**Validity** – Data must be recorded and used in accordance with relevant requirements, rules and definitions to ensure consistency.

**Reliability** – Data must reflect stable and consistent collection methods.

**Timeliness** – Data must be available for its intended use within a reasonable time period. It must be available quickly and frequently enough to support information needs.

**Completeness** – Data must be recorded in its entirety, avoiding gaps in information and duplication of data.

**Relevance** – Data must be relevant to the purpose for which it is used.

**Security** – Data must be stored securely and confidentially where appropriate.

This report has already been to the Governance Select Committee where they discussed what was meant by the term data, but concluded that defining it would tend to exclude certain data streams. There was also a need to be aware of the relevance of the data streams.

The Chairman asked if we label third party data to indicate that this was not our data. Ms Copson said that they did. They defined where they had received the data from and attempted to ensure that it was accurate by identifying the data streams.

Councillor Kane asked if there was any need to refer to the redundancy or timeliness of data. Ms Copson said that they needed to know if the data was accurate and also the relevance and timeliness. Councillor Philip added that they needed to know the frequency of the data and that it was up to date.

**RESOLVED:**

That the Data Quality Strategy for 2016/17 – 2018/19 was noted.

**42. KEY PERFORMANCE INDICATORS 2015-16 - QUARTER 3 PERFORMANCE**

The Senior Performance Improvement Officer, Ms Copson introduced the report on the quarter 3 performance of the Key Performance Indicators for 2015/16.

A headline Quarter 3 performance summary in respect of each of the KPIs falling within the Resources Select Committee's areas of responsibility for 2015/16, was attached to the report together with details of the specific nine-month performance for each indicator.

The overall position with regard to the achievement of target performance for all of the KPIs at the end of Q3 was as follows:

- (a) 28 (78%) indicators achieved target at the end of Q3;
- (b) 8 (22%) indicators did not achieve the Q3 target; and
- (c) 0 (0%) indicators performed within their tolerated amber margin.
- (d) 28 (78%) indicators are currently anticipated to achieve their cumulative year-end target and for a further 3 (8%), it is uncertain whether they will achieve their cumulative year-end target.

Nine of the Key Performance Indicators fell within the Resources Select Committee's areas of responsibility. The overall position with regard to the achievement of target performance at the end of Q3 for these 9 indicators was as follows:

- (a) 7 (78%) indicators achieved the Q3 target;
- (b) 2 (22%) indicators did not achieve their Q3 target; and
- (c) 0 (0%) indicators performed within their tolerated amber margin.
- (d) 7 (78%) indicators are currently anticipated to achieve their cumulative year-end target, and for a further 1 (11%) indicator, it was uncertain whether it would achieve its cumulative year-end target.

The Assistant Director Accountancy noted that RES002 – *What percentage of the invoice we received were paid within 30 days* – had only just missed its target in December, but met it in January and would remain on target for the rest of the year.

Councillor Philip noted that RES010 – *Are customers needs being met by the main Corporate Websites not having broken links* – had exceeded its target this time.

**RESOLVED:**

That the Key Performance Indicators for quarter 3 that fell within the areas of responsibility for this Select Committee were noted.

**43. GOVERNMENT CONSULTATION ON NEW HOMES BONUS**

The Assistant Director Accountancy, Mr Maddock introduced the report on the government consultation on New Homes Bonus, part of the draft financial settlement for local authorities. The consultation would run until 10 March.

A number of the issues covered by the consultation related to planning matters but in order to produce the report for this agenda it had not been possible to consult colleagues in planning on the draft responses. The draft responses have been shared with colleagues in planning and an update was provided.

The meeting noted that:

- The consultation sought views on a number of significant changes to the New Homes Bonus.
- The stated intention of the proposed changes to the scheme was to save £800 million which can then be used to fund adult social care.
- The removal of £800 million and the re-allocation of this amount has the overall effect of changing the distribution so two thirds will now go to counties and only a third to districts.

The first proposal was to reduce the cost by cutting the number of years that the bonus remained in payment for. Currently the bonus relating to a particular year was payable for the six years following that year but the Government's preferred option was to reduce this to four years. This reduction from six to four may or may not include a transition year to five. The consultation also included the possibility of reducing the number of years of payment to three or two. The option that would have the smallest impact on this Council would be a reduction to four with a transition year of five included.

Another proposed mechanism to reduce payments was to cut New Homes Bonus by either 50% or 100% for authorities who do not have a Local Plan in place. Clearly there was the potential for this proposal to greatly reduce our income from the Bonus.

A further proposal to reduce payments was to limit the Bonus where planning approval had only been given on appeal. It was difficult to envisage how this could work in practice without there being a huge administrative burden. It was also difficult to predict the exact effect on this council, although it was unlikely to be positive.

There was a proposal to introduce a baseline so the first 0.25% of new homes would not qualify for the Bonus. This was intended to stop the rewarding of growth that would occur naturally without positive decisions by an authority. However, the introduction of such a baseline would significantly reduce or remove the incentive for low growth authorities.

The final question in the consultation asked whether there should be protection for those facing adverse impacts from the proposals. As an authority that currently receives £2.7 million of New Homes Bonus but did not have a Local Plan we could be one of the authorities who might benefit from some form of floor to limit

reductions. Unfortunately there was no detail to the proposal in terms of the level of reduction at which any protection would become effective and whether this would be funded by greater reductions for authorities that are initially above the floor.

There were 14 questions posed with draft responses attached to the report.

Mr Maddock reported the comments given to him by planning. They were:

*“Q1: Might Members ask about the other options are that are referred to?”*

*Q2: As above, was it likely there would be a question on whether the financial viability of EFDC could be threatened in the way suggested?”*

*Q6: In an instance where a planning authority refuses planning consent in accordance with the Local Plan and/or Neighbourhood Plan, but this is subsequently overturned on appeal, it would appear there would be a direct conflict with the Localism agenda if local authorities were penalised further. A refusal of planning consent that is subsequently overturned by the Planning Inspectorate is not necessarily an indicator of “a bad planning decision”, but one which is taken on the basis of policies contained within Local /Neighbourhood Plans which have been prepared following extensive public and stakeholder engagement.*

*Q9: Such an approach would potentially penalise authorities where there are genuine constraints on growth (administrative boundaries, environmental or policy designations, infrastructure delivery constraints, etc), and in such instances it would not be appropriate to set an arbitrary baseline level for growth. Such an approach would be too blunt, and would not take account of local circumstances.”*

Councillor Mohindra noted that the government had said we would get funding from new homes bonus, but now they have taken away money from us. We need to have a robust response to this consultation to tell them to keep their hands off.

Councillor Watson agreed and said that we may not like the baseline as it may well go up.

Councillor Philip noted that a lot of councils did not have a full Local Plan and just had a single document. As for land banking we could not force people to implement the planning permission we give them. The government should pay us on how many planning applications we have granted; and question 4 talked about planning submission instead of planning approval.

Mr Maddock reported on a comment sent in by Councillor Jon Whitehouse on question 4 that: *“My main query relates to the Draft Responses Question 4. I think to carry weight it will need to provide some evidence that land banking locally is the cause of delays in building rather than the absence of an up to date local plan. Otherwise the government will assume that the absence of allocated sites combined with the absence of a five-year land supply is a constraint to supply. Some specific examples or at least a fuller explanation here would strengthen the response.”*

Councillor Stavrou noted that one of the proposals was that local authorities should receive a set percentage (50%) of the Bonus allocations where they have published a local plan but not yet submitted it to the Secretary of State for examination.



The Chairman informed the Committee that if they had any further comments they should get in touch with Mr Maddock. Councillor Philips asked that an item also be put in the Council Bulletin asking for members comments.

**RESOLVED:**

- (1) That the Select Committee considered and commented on draft officer responses to the Government Consultation on New Homes Bonus; and
- (2) That an item be put in the Council Bulletin asking members if they had any more comments to make.

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

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

**45. FUTURE MEETINGS**

The next meeting of the Committee was noted.

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## RESOURCES SELECT COMMITTEES

### TERMS OF REFERENCE 2015/16

**Title:** Resources Select Committee

**Status:** Select Committee

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

#### **Finance**

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

#### **Information and Communications Technology**

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

#### **Value For Money**

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

**Human Resources**

11. To monitor and review areas of concern or significance that comes under Human Resources.

**Chairman:** Cllr Mohindra

## Resources Select Committee (Chairman – Cllr Mohindra)

### 2015/16

Item	Report Deadline/ Priority	Progress / Comments	Programme of Meetings
(1) To review the specific quarterly KPI's for 2015/16	Quarterly.	Progress reports to meetings: Q1 in October 2015; Q2 in December '15; Q3 in April '16	14 July 2015; 13 October; 14 December;
(2) Key Performance Indicators 2014/15– Outturn	Outturn KPI performance considered at the first meeting of each municipal year.	Outturn KPI performance report for 2014/15 for July 2015 meeting.	09 February 2016; 12 April
(3) Detailed Portfolio Budgets	Portfolio budgets considered on an annual basis jointly with the Finance & Performance Management Cabinet Committee.	Annual review of portfolio budgets to be considered at joint meeting with the F&P M Cabinet Committee in January of each year.  The F&PM Cabinet Committee was held on 21 Jan. 2016	
(4) ICT Strategy – Progress	Progress against ICT Strategy considered on an annual basis. Last update in October '15	Progress report considered at meeting on 13 October 2015. Including call/response handling but not on options following introduction of new telephony system.	
(5) Fees and Charges 2016/17	Proposed fees and charges for 2016/17 - considered at October 2015 meeting.	Proposed fees and charges considered on an annual basis each October.	
(6) Provisional Capital Outturn 2014/15	Provisional outturn for 2014/15 considered at July meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each municipal year.	

(7) Provisional Revenue Outturn 2014/15	Provisional outturn for 2014/15 considered at July 2015 meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each municipal year.
(8) Sickness Absence Outturn	July 2015	To review the Sickness Outturn report for 2014 - 15.
(9) Sickness Absence	Half-yearly progress reports for 2015/16 to be considered at December and July meetings.	Detailed progress against achievement of sickness absence targets reviewed on a six-monthly basis.
(10) Medium Term Financial Strategy & Financial issues paper	October 2015	Received the financial issues Paper and Medium term financial strategy including 4 year General Fund forecast
(11) Quarterly Financial Monitoring	Oct 2015; Dec.2015; & April.2016	To receive quarterly financial monitoring reports
(12) Apprentices & Graduates	December 2015	Received an updating report at the Dec.2015 meeting. To receive a presentation on the Council's apprenticeship scheme and it's graduate scheme
(13) Planning Enforcement	October 2015	Received a review of the Planning Enforcement team's work. Considering their processes and not specific cases.
(14) Shared Services Working	December 2015	To review any shared services working being carried out by EFDC. HR are currently working with Colchester and Braintree Councils on a shared HR payroll system. Received an updating report at the December '15 meeting.

(15) Facilities Management	October 2015	Received an updating report on the rationalising of the Council's Energy Bills.
(16) Private Funding	December 2015	Received a report considering any avenues of private funding available to EFDC.
(17) Housing Benefit Fraud & Compliance	February 2016	Received a report on the fraud team's work.
(18) Corporate Debt Processes	July 2016	To receive a report on the approach adopted to dealing with the debts due to the Council.
(19) Careline and Housing Related Charges	October 2015	Received a report on the proposed charging plan for Housing Related Support (HRS)

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**Report to: Resources Select Committee**

**Date of Meeting: 12 April 2016**

**Portfolio:** Governance and Development Management  
(Councillor J. Philip)

**Subject:** Key Performance Indicators 2016/17 – Review and Targets

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

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

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

**That the Select Committee considers the proposed Key Performance Indicators and targets for 2016/17 for those areas which fall within the Committee's areas of responsibility, and provide comment for the Finance and Performance Management Cabinet Committee as appropriate.**

### **Executive Summary:**

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. To assist with this a range of Key Performance Indicators (KPI) relevant to the Council's service priorities and key objectives, are adopted each year and targets set which are appropriate and challenging.

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

The KPIs provide an opportunity for the Council to focus attention on how specific areas for improvement will be addressed, and how opportunities will be exploited and better outcomes delivered. It is important that the key performance indicators are reviewed annually to ensure their continued relevance and that their targets are appropriate and challenging.

### **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. The adoption of challenging but achievable KPIs each year is an important element of the Council's Performance Management Framework, and the KPI set is reviewed annually by Management Board to ensure the indicators and their targets are appropriate to provide challenge in the Council's key areas and to meet its objectives.
2. Whilst the recent annual review considered that the current indicator set was appropriate to provide challenge and improvement, a number of changes to targets have

been identified for the coming year, and one indicator has been split to enable greater focus and evaluation.

3. The provisional target for each indicator has been identified by service directors and relevant portfolio holder(s), based on third-quarter performance (and the estimated outturn position) for the current year. Management Board will review the provisional targets against outturn data for 2015/16 when this becomes available, and any revisions to next year's targets will be reported to the appropriate select committees in June 2016.

4. The review of the KPIs which fall within the areas of responsibility of the Resources Select Committee has resulted in no change to the indicator set, however it is proposed the target for three indicators is increased, whilst another is decreased, the details of which are set out in the attached appendix.

5. Improvement plans will be developed for each KPI for 2016/17, identifying actions to achieve target performance. The plans will be considered and agreed by Management Board, and submitted to the relevant select committees along with the 2016/17 first quarter performance submission.

6. The Select Committee is requested to consider the proposed KPIs and targets for 2016/17 which fall within its areas of responsibility. These were also considered by the Finance and Performance Management Cabinet Committee at its meeting on 17 March 2016. The views of the Select Committee will be reported to the Cabinet Committee at its next meeting in June 2016.

**Resource Implications:**

Resource requirements for actions to achieve specific KPI performance for 2016/17 will have been identified by the responsible service director and reflected in the budget for the year.

**Legal and Governance Implications:**

None arising from the recommendations of this report; implications of actions to achieve KPI performance for 2016/17 will be identified by the responsible service director.

**Safer, Cleaner, Greener Implications:**

None arising from the recommendations of this report; implications of actions to achieve KPI performance for 2016/17 will be identified by the responsible service director.

**Consultation Undertaken:**

Draft KPIs and targets have been proposed by service directors in consultation with relevant portfolio holder(s), and considered by Management Board and the Finance and Performance Management Cabinet Committee.

**Background Papers:**

Third quarter KPI submissions held by the Performance Improvement Unit.

**Impact Assessments:**

*Risk Management*

None arising from the recommendations of this report; issues arising from actions to achieve KPI performance for 2016/17 will be identified by the responsible service director.

*Equality:*

None arising from the recommendations of this report; implications arising from actions to achieve KPI performance for 2016/17 will be identified by the responsible service director.

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
RES001	How many working days did we lose due to sickness absence?	7 days	5.58	7.5 days	Yes	Prior to the financial year 2014/15 the Council had reduced absence significantly over a number of years, however in 2014/15 the target was an average of 7 days per employee and the outturn figure was 9.2 days. This year the target remains at 7 days and the outturn figure is likely to be above this (but unlikely to be by as much as last year), as the trend for sickness concerning mental health is increasing. It is proposed that the target is decreased by 0.5 days, which still represents a challenging target but one that the Council could meet. The Council now provides mental health awareness training.
				Amber tolerance = 7.51 days - 8.0 days		
RES002	What percentage of the invoices we received was paid within 30 days?	97%	96%	97%	No	The target is realistic whilst neither being too easy or too difficult.
				Amber tolerance = 1% below target		
RES003	What percentage of the district's annual Council Tax was collected?	97.00%	77.91%	97.10%	Yes	Continuous improvement.
				Amber tolerance = 0.50% below target		

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
RES004	What percentage of the district's annual business rates was collected?	97.70%	78.78%	97.80%	Yes	Continuous improvement.
				Amber tolerance = 0.50% below target		
RES005	On average, how many days did it take us to process new benefit claims?	22.00 days	21.78	22.00 days	No	The target of 22 days is challenging yet achievable. 22 days should be achieved in 2015/16 but any decrease in the target from 22 days may result in the lower target not being achieved.
				Amber tolerance = 1.50 days above target		
RES006	On average, how many days did it take us to process notices of a change in a benefit claimant's circumstances?	6.00 days	7.29	6.00 days	No	The target of 6 days will be met in 2015/16 and should be achievable in 2016/17
				Amber tolerance = 1.00 days above target		

KPI Ref	Description	Target 2015/16	Q3 2015/16 Performance	Proposed Target 2016/17	Target changed Yes/No	Comments/justification for proposed target for 2016/17 and reasons for targeted reductions in performance
RES009	Are customer needs being met by the Corporate Website being available?	99.60%	99.95%	99.60%	No	New KPI for 2015/16 and will reassess at the next review
				Amber tolerance = 0.60% below target		
RES010	Are customer needs being met by the Corporate Website not having broken links?	94.10%	100.00%	95.00%	Yes	Target increased in the light of excellent performance. However as it is a new KPI for 2015/16, it will be reassessed at the next review.
				Amber tolerance = 1.00% below target		
RES011	Are customer needs being met by the main Corporate Website having effective navigation?	79.90%	81.04%	79.90%	No	New KPI for 2015/16 and will reassess at the next review
				Amber tolerance = 0.90% below target		

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## **Report to the Resources Select Committee**

**Date of meeting: 12 April 2016**

**Portfolio: Finance**

**Subject: Quarterly Financial Monitoring**

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

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

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

**That the Committee note the revenue and capital financial monitoring report for the third quarter of 2015/16;**

### **Executive Summary**

The report provides a comparison between the original estimate for the period ended 31 December 2015 and the actual expenditure or income as applicable.

### **Reasons for proposed decision**

To note the third quarter financial monitoring report for 2015/16.

### **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 2015/16 and covers the period from 1 April 2015 to 31 December 2015. The reports are presented based on which directorate is responsible for delivering the services to which the budgets relate and the budgets themselves are the Revised Estimate.

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

### **Revenue Budgets (Annex 1 – 6)**

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £284,000 or 1.8%. This time last year the variance was 1.1%. The vacancy allowance is removed from the budget when it is revised and allocated to the areas where vacancies have actually occurred though even after that there is still an underspend showing.

4. Communities is showing the largest underspend of £124,000 this relates in the main

to the Housing works Unit. The other three directorates are all showing an underspend though less significant.

5. Investment interest levels are below expectations at Month 9 by £6,000. Whilst cash balances available for investment have reduced income from the loan to Biffa have offset this to a degree.

6. Development Control income at Month 9 is continuing the recent upward trend. Fees and charges were £34,000 higher than the revised budget to date and pre-application charges are £13,000 higher. At Month 10 total income was £62,000 above expectations.

7. Building Control income was £6,000 higher than the budgeted figure at the end of the third quarter. Also the ring-fenced account is showing an in-year surplus of £53,000 as at Month 9. The expected surplus of £13,000 has been revised upwards to £47,000 for the full year.

8. Public Hire licence income and other licensing is now above expectations. A number of reminders were sent out during November and December which has led to this increase.

9. Income from MOT's carried out by Fleet Operations is £4,000 below expectations. The revised budget shows a deficit of £6,000 for the year though this may now be slightly optimistic.

10. Car Parking income was £31,000 below the estimate as at month 9. Pay and display income was in line with the profiled budget until month 9 but some income relating to December was not received until January probably due to the Christmas break. Season ticket income is £2,000 up on expectations. At one stage it did look as if Penalty Charge Notice income would fall short of expectations but this is now in line with the budget.

11. Local Land Charge income is £8,000 above the revised expectation. There have been significantly fewer searches undertaken this year compared to the same period last year.

12. From the start of the new waste management contract recycling credits are paid only on dry recycling. There is a time lag between achieving recycling credits and the income being paid. The income is billed once confirmation from the County Council is received. Billing was up to September at the end of December and now up to the end of November.

13. In order to cut down on the amount of administration and speed up payment times it was agreed to pay the waste contractor the agreed contract sum monthly by Direct Debit as this is a fixed sum. The contract variations are paid as and when invoiced which at the moment are behind expectations. After a period of stability with Leisure Contract payments these have again fallen behind due to late billing.

14. The Housing Repairs Fund shows an underspend of £366,000. The budget has been reviewed and some savings have been identified. There is also a significant variance on HRA Special Services which relate partly to heating and lighting. There are likely to be some savings here also due in part to the work undertaken by Smith Bellerby.

15. Income from Development Control, Building Control and Land Charges should exceed the revised budget though in the case of land charges this was reduced by some £39,000 from the original due to the fall in searches undertaken.

16. Car Parking income is quite difficult to profile accurately and at month 6 it looked like a shortfall might occur. At month 9 income did look a lot better and the budget was revised upwards as a result, month 10 saw a further improvement and it looks as if the budget for the year may well be met.



## **Business Rates**

17. This is the third year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council.

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

19. The resources available from Business Rates for funding purposes is set in the January preceding the financial year in question. Once these estimates are set the funding available for the year is fixed. Any variation arising from changes to the rating list or provision for appeals, whilst affecting funding do not do so until future years. For 2015/16 the funding retained by the authority after allowing for the Collection Fund deficit from 2014/15 is £3,363,000. This exceeded the government baseline of £3,022,000 by some £341,000. The actual position for 2015/16 will not be determined until May 2016.

20. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances. At the end of December the total collected was £28,006,359 and payments out were £25,614,207, meaning the Council was holding £2,392,155 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates.

## **Capital Budgets (Annex 7 - 11)**

21. Tables for capital expenditure monitoring purposes (annex 7 -11) are included for the nine months to 31 December. There is a commentary on each item highlighting the scheme progress.

22. The full year budget for comparison purposes is the budget updated as part of the Capital review report that went to Cabinet in December.

## **Major Capital Schemes (Annex 12)**

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

## **Conclusion**

24. With regard to revenue, income is generally up on expectations and expenditure down. The increased income levels are very much welcome, in particular Development and Building Control income. Expenditure being below budget is not surprising as expenditure is usually heaviest toward the end of the financial year.

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

## **Consultations Undertaken**

This report was also presented to the Finance and Performance Management Committee in

March.

### **Resource Implications**

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

### **Legal and Governance Implications**

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

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

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

### **Background Papers**

Various budget variance working papers held in Accountancy.

### **Impact Assessments**

#### Risk Management

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

# Due Regard Record

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

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

<b>Date / Name</b>	<b>Summary of equality analysis</b>
23/02/16  Director of Resources	The purpose of the report is to monitor income and expenditure. It does not propose any change to the use of resources and so has no equalities implications.

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**DECEMBER 2015 - SALARIES**

<u>DIRECTORATE</u>	<u>2015/16</u>			<u>2014/15</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 31/12/15</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 31/12/14</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>
CHIEF EXECUTIVE	149	149	0.0	153	152	0.7
RESOURCES *	4,074	4,119	-1.1	4,092	4,167	-1.8
GOVERNANCE	2,481	2,533	-2.1	2,460	2,537	-3.0
NEIGHBOURHOODS *	3,230	3,293	-1.9	2,970	2,988	-0.6
COMMUNITIES *	5,363	5,487	-2.3	5,281	5,276	0.1
<b>TOTAL</b>	<b>15,297</b>	<b>15,581</b>	<b>-1.8</b>	<b>14,956</b>	<b>15,120</b>	<b>-1.1</b>

\* Agency costs are included in the salaries expenditure.

	15/16 Full Year Budget £'000	Third Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	104	81	73	25	-8	-10	The salaries and casuals are underspent to date due to the museum being closed for renovation, the overtime budget may be required in the last quarter.
Bed & Breakfast Accommodation	147	98	161	82	63	64	This year has seen an increase in placements compared to 2014/15. The budget is currently set at 12 equal instalments, however the budget has been exceeded in the first three quarters of the year. Both income and expenditure will exceed the respective budgets but the overall position should be broadly the same.
Grants to Voluntary Groups	93	70	70	82	0	0	No major variances.
Voluntary Sector Support	170	170	170	170	0	0	No major variances.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	150	100	152	89	52	52	This year has seen an increase in placements compared to 2014/15. The budget is currently set at 12 equal instalments, however the budget has been exceeded in the first three quarters of the year. Both income and expenditure will exceed the respective budgets but the overall position should be broadly the same.
	664	519	626	448			

	15/16 Full Year Budget £'000	Third Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major income items</u>							
Development Control	976	703	749	680	46	7	Development Control fees are profiled on the average of the previous three years. The income received has exceeded both the budget to date and the previous year's actual this is due to an increase in the number of planning applications received.  The £46,000 additional income received in comparison to the budget at the end of quarter three includes £34,000 in development control fees and charges and £12,000 in pre application and viability assessment consultation fees.
Building Control Fee Earning	470	354	361	312	7	2	Building Control income has been steadily improving with the upturn in the housing market. In addition the Building Control service have formed a number of partnerships with outside bodies helping to resist the threat of competition from the commercial sector.
Local Land Charges	176	135	143	169	8	6	Income has exceeded the budget to date but is lower than the comparative actual due to a reduction in the number of searches carried out by the Council. The number of searches received in the first three quarters compared to the same period last year were approximately 280 fewer.
	1,622	1,193	1,253	1,161			

	15/16	Third Quarter			15/16		Comments
	Full Year	15/16	15/16	14/15	Variance		
	Budget	Budget	Actual	Actual	Budget v	Actual	
	£'000	£'000	£'000	£'000	£'000	%	
<u>Major expenditure items:</u>							
Refuse Collection	1,346	800	728	706	-72	-9	The expenditure variance is due to underspend on equipment new, £53,000 was transferred from capital for bins.
Street Cleansing	1,324	791	724	806	-67	-8	The underspend relates to Street Arisings and weedspraying.
Recycling	2,413	1,412	1,396	1,864	-16	-1	The expenditure is underspent on delivery of blue boxes and publicity, probably due to the new contract.
Highways General Fund	50	38	12	20	-26	-68	The expenditure variances relate to Litter Bins and Street naming.
Off Street Parking	582	445	403	367	-42	-9	The Other Maintenance is the reason for the underspend at quarter three. This budget includes £15,000 invest to save for the termination of the NEPP contract, £12,000 for sim cards and £63,000 for other.
North Weald Centre	233	187	160	104	-27	-14	The budgets for Other and Runway Maintenance are underspent at quarter three. There tends to be more manitenance required in March when the weather improves after the winter.
Land Drainage & Contaminated Land	104	62	48	39	-14	-23	The professional fees, including contaminated land, are currently underspent, these tend to be paid in the last quarter.
	6,052	3,735	3,471	3,906			



	15/16 Full Year Budget £'000	Third Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Planning Policy/Local Plan	1,054	327	170	116	-157	-48	There has been less expenditure in the first nine months than expected due to slippage in the programme. This budget is due to be reviewed in detail shortly to assess when money will be spent.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-160	-126	-111	-116	15	-12	}
Epping Sports Centre	316	210	184	180	-26	-12	
Waltham Abbey Pool	523	349	303	297	-46	-13	}
Ongar Sports Centre	301	200	174	171	-26	-13	}
	980	633	550	532			

## DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	15/16 Full Year Budget	Third Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget	15/16 Actual	14/15 Actual	£'000	%	
	£'000	£'000	£'000	£'000			
<u>Major income items:</u>							
Refuse Collection	54	41	47	106	6	15	The income budget was increased when the budget was revised however it now looks as if this will be exceeded.
Recycling	1,517	771	690	1,553	-81	-11	Since 2014-15 a feature of the new contract, there is a significant reduction in recycling credits. The credits are currently three months in arrears, whereas the profile is set two months in arrears.
Off Street Parking	1,320	945	914	767	-31	-3	Pay and display income is £33,000 less than profile, Some income relating to month 9 was not received until month 10.
North Weald Centre	706	696	591	700	-105	-15	There is one rent review ongoing and related rent arrears to be collected. During 2014/15 the basis for charging for the market was changed from a fixed rental to an income share, therefore the full year estimate for 15/16 was reduced. The lease for Hughmark Continental Ltd ended 31 December 2015. A DDF item has been estimated at revised for £73,000 to cover any further loss in 2015/16. The new lease started January 2016, however awaiting completion.
Hackney Carriages	181	136	153	138	17	13	The income for private hire has exceeded the budget at quarter three. Some licences are now issued for three years rather than one and some of this additional income will relate to future years.
Licensing & Registrations	114	86	93	97	7	8	The income is higher than the budget profile at quarter three with regards to premises liquor licences.
Fleet Operations MOTs	232	174	170	174	-4	-2	No major variances.
	4,124	2,849	2,658	3,535			

	15/16	Third Quarter			15/16		Comments
	Full Year	15/16	15/16	14/15	Variance		
	Budget	Budget	Actual	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,143	1,097	1,104	1087	8	1	Rents from the Industrial units are slightly above expectations, there has been a minor rent review at Brooker Road.
Business Premises - Shops	2,127	2,127	2,143	2,152	16	1	This income relates to non housing assets which include shops, doctors surgeries, a petrol station and public houses. Income is above the budget due to some changes in tenants in the third quarter.
Land & Property	144	32	31	47	-1	-3	Commission is received from the David Lloyd Centre based on their turnover. Income relating to 2015/16 will be accounted for at the end of the year, but received during the initial part of 2016/17. Income received from land and property up to and including the third quarter is on target with the profiled budget.
	3,414	3,256	3,279	3,285			

	15/16 Full Year Budget £'000	Third Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	487	228	211	241	-17	-7	Building Maintenance works are difficult to forecast but generally works are undertaken in the latter part of the year. Expenditure of £109,230 is committed in the last quarter of 15/16 to work which has been prioritised to the councils non- housing assets. At the end of quarter three it is known that budgets totalling £46,830 will need to be carried forward from 15/16 to 16/17 due to a slippage in the 5 year rolling programme.
Information & Communication Technology	965	846	842	867	-4	0	The budget comprises of the total cost of the councils ICT expenditure including the Switchboard, Mobile Phones and the annual contract costs for all of the major systems in use. Expenditure is in line with the current budget spending profile as the majority of maintenance contracts for systems are paid at the beginning of the year with network charges continuing to be paid throughout the year.
Bank & Audit Charges	125	71	71	77	0	0	The expenditure in quarter three is on target with the budget to date. The reduction in expenditure compared to the prior year is the result of a reduction in the Audit fee for 2015/16.
	1,577	1,145	1,124	1,185			
<u>Major income items:</u>							
Investment Income	527	395	389	330	-6	-2	Investment interest is below that expected. Investment balances are around £4m lower than last year end. There are a number of significant capital projects that have drawn on these funds . Having said that the timings of capital spend are somewhat unpredictable and the actual income received will be heavily dependent on the progress of these schemes in general and the retail park in particular. The Loan to Biffa has boosted Interest Received.
	527	395	389	330			

	15/16 Full Year Budget £'000	Third Quarter			15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	14/15 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	308	204	163	165	-41	-20	Expenditure is lower in 2015/16 due to £20,000 on Rent Accounting, £30,000 on Other Communal Services.
Housing Repairs	6,356	4,634	4,268	4,286	-366	-8	The underspend mainly relates to the responsive repairs of the HRA. The budget is profiled evenly across the year, as it is unknown when responsive repairs will arise. Gas servicing contract was expected to increase in cost but hasn't.
Special Services	1,061	789	523	307	-266	-34	The main areas showing an underspend are: Gas and Electricity, Tree Maintenance, Equipment and Cleansing.
	7,725	5,627	4,954	4,758			
<u>Major income items:</u>							
Non-Dwelling Rents	861	638	617	600	-21	-3	Garage rents increased 2.5% year on year. The stock though has reduced with the advent of New Build on difficult to let garage sites.
Gross Dwelling Rent	32,291	24,219	24,206	23,012	-13	0	The variance between years is due to the annual rents increase which was 2.2% from April 2015. RTB's are 15 to Q3, 16 in budget; and Voids are budgeted at 1% and running at 0.7%.
	33,152	24,857	24,823	23,612			

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2015/16 DIRECTORATE CAPITAL MONITORING -  
COMMUNITIES

ANNEX 7

	15/16 Full Year Budget £'000	Third Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Epping Forest District Museum	1,551	1,163	1,385	-222	-19	Please see comments on the major schemes schedule.
CCTV Systems	48	36	27	-9	-24	The CCTV schemes have progressed well; systems at the Museum and at North Weald Airfield, as well as procurement of two covert cameras are now complete. There have been three unexpected additional CCTV requirements recently including essential installations at Town Mead Depot (to address security issues) and Birchview (housing estate), with further procurement of covert equipment to be placed in Nazeing in an attempt to deter and capture rural fly-tippers. All of these extra works are expected to be completed by the end of the financial year and funding will be provided in the form of direct revenue funding and Section 106 contributions. The budget for the system to be installed at Oakwood Hill has been carried forward into 2016/17 as the scheme is fully dependant on ground-work currently progressing at the new depot site. The Roundhills scheme is also subject to a significant delay due to residential privacy issues that need to be addressed. An extensive upgrade of CCTV systems in High Street, Epping has already been moved forward into 2016/17 as has the integration of CCTV and digital lighting in ten pay and display car parks.
2nd Floor Bridgeman Hse W Abbey	0	0	0	0	0	This budget has been carried forward into 2016/17 as it is still unclear whether the council will be able to acquire the area of office space on the second floor of Bridgeman House, above the Museum. The acquisition of this space would facilitate a move for the Community Services team and the budget in place is expected to be sufficient if the purchase goes ahead.
Housing Estate Parking	24	18	0	-18	-100	The off-street parking schemes undertaken on council owned land, jointly funded between the HRA and General Fund, are currently undergoing design works on the remaining phase 6 sites at Paley Gardens and Torrington Drive, following the appointment of a design consultant. Works on both sites were planned to commence early 2016, however the need for extensive arboriculture and landscaping work has delayed the submission of the planning applications.
<b>Total</b>	<b>1,623</b>	<b>1,217</b>	<b>1,412</b>			

2015/16 DIRECTORATE CAPITAL MONITORING -  
NEIGHBOURHOODS

ANNEX 8

	15/16 Full Year Budget £'000	Third Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Epping Forest Shopping Park	14,658	13,679	12,316	-1,363	-10	Please see comments on the major schemes schedule.
St John's Road Epping Development	6,000	20	11	-9	-46	Negotiations have yet to fully conclude on the contract between Essex County Council and the District Council, with regard to the County Council's sale of their land to this authority. The £6,000,000 budget shown represents the gross cost of the transactions; while previous reports showed the net position. Approval has been received from the Secretary of State for the land transaction and there has been good progress with regard to the outstanding issue of the overage agreement to protect the County Council's interest in the site in the event that the composition of the development changes. However, negotiations are yet to formally conclude. Due to this delay, it is anticipated that completion of the purchase will now take place early in the next financial year. The costs and budget to date represents management consultants & legal costs.
Sir Winston Churchill Pub House Development	35	26	41	15	56	The scheme is now being taken forward by Epping Forest based developer Higgins Homes. Groundworks and piling have commenced on site with an anticipated 20 month build programme. Once complete, the Council anticipates receiving rental income from the ground floor retail premises in late 2017. Furthermore, the District Council has appointed a marketing agent to let the retail space on the ground floor. To date, there is an overspend of £6,000 and no further costs are expected to be spent by the council on this scheme.
Oakwood Hill Depot	2,425	1,819	608	-1,211	-67	Work commenced on site in late September with the project scheduled to be completed by the end of April 2016 and service managers moving to the new depot are making preparations to transfer from Langston Road Depot. The new depot has progressed well with the main steel frame, cladding and concrete floor slab completed. A specialist contractor has been appointed to relocate the MOT equipment and achieve accreditation from VOSA for the new MOT depot facilities. In December a carry forward of £200,000 was approved to supplement a small proportion of costs that will fall into 2016/17.
North Weald Airfield	16	15	15	0	0	The £15,000 contribution has been used towards upgrading CCTV; the works which were completed in the summer.
Total c/f	23,134	15,559	12,991			



2015/16 DIRECTORATE CAPITAL MONITORING -  
NEIGHBOURHOODS

ANNEX 8

	15/16 Full Year Budget	Third Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget	15/16 Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	23,134	15,559	12,991			
Waste Management Equipment	40	30	12	-18	-60	Previously, there was a capital allocation of £101,000 in 2015/16 and £30,000 annually thereafter for the replacement of refuse bins and recycling containers. With the introduction of the new waste management contract, revisions to the budget were presented to Cabinet, which reduced the capital allocation and increased the revenue budget to allow the stock to be "topped up" as required. The remaining capital allocation was retained for the procurement of new bins to areas that have previously not been provided for in the district. It is likely that the budget will be used by the end of the financial year as the establishment of new flat recycling sites are constantly taking place.
Parking Schemes	127	95	44	-51	-54	The parking review at Buckhurst Hill has been completed and invoiced, leaving an anticipated saving of £83,000. This is expected to be carried forward to 2016/17 and applied to the next parking scheme at Debden. The commencement of the works at Debden is dependent on the outcome of a working group, established by the portfolio holder to consider the Debden Parking Review. A report is being drafted for Cabinet regarding the appointment of North Essex Parking Partnership to undertake the required work.
Other Schemes	220	165	133	-32	-19	This category includes the Council's grounds maintenance vehicle replacement programme, the pay and display car park scheme and flood alleviation equipment. The grounds maintenance team are looking to procure a replacement vehicle early in 2016, with delivery expected by the end of March. The programme to replace all the pay and display machines in the Council's car parks has been completed with a saving in the region of £57,000, although the issue of credit card payments is still outstanding.
<b>Total</b>	<b>23,521</b>	<b>15,849</b>	<b>13,180</b>			

2015/16 DIRECTORATE CAPITAL MONITORING -  
RESOURCES

ANNEX 9

	15/16 Full Year Budget £'000	Third Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Planned Maintenance Programme	895	671	455	-216	-32	This budget covers all projects undertaken within the Council's Planned Maintenance Programme, except for the solar panel project reported below. The heating pipework on the ground and second floors, the replacement of rainwater goods, the replacement of the air conditioner unit in plant room 3 and the replacement pumps in the boiler house have all been completed on schedule. One of the major schemes within the programme is replacing the external windows in the Civic Offices, which has also been completed and a saving has been identified. Works within the third quarter include the installation of smart metering to reduce energy usage in the Civic complex which is currently ongoing. The rolling programme of the conversion of the lighting to LED is progressing well with the 2015/16 budget expected to be fully utilised by the end of the year. Sound insulation panels at the Limes Farm Centre have been installed on the walls of the large and small halls to improve noise levels. Five projects have been identified as slipping into 2016/17, in addition to the original four projects approved for carry forward in December. Subsequently the re-phasing of these schemes and budgets will be addressed as part of the Planned Maintenance Review.
Upgrade of Industrial Units	151	0	0	0	0	In October 2013 Stace were instructed to undertake an appraisal of the industrial units at Oakwood Hill Industrial Estate. They reviewed a typical lease to assess current repairing obligations and future liabilities and within the terms of the lease. It was established that it is the landlord's obligation to ensure that all exterior additions are undertaken to a rentable standard and it is the tenant's responsibility to maintain skylights. With roof repairs needed to achieve current building regulation standards, four options were considered and overlay sheeting was decided to be the best method. The main complication with this scheme has been how the Council would recover the costs of the works from its current tenants. Meetings with the council tenants have occurred but agreement was not reached therefore works will not be carried out until this is resolved.
Solar Energy Panels	267	200	233	33	16	This project was started on 17 August 2015 by the Breyer Group, with the replacement of the roof of the Condor building and liquid coating the front elevation of the main building. On completion of this work British Gas Solar installed the photo voltaic solar panels. The installation was combined with essential roofing upgrade works in order to achieve economy of scale savings on the two schemes. The work was completed on the 16 January 2016, 10 weeks later than scheduled. The final account is expected to be agreed soon and it is anticipated that it will be below the tender price.
ICT Projects & Other Equipment	315	236	218	-18	-8	Good progress has been made on most of the ICT schemes, with the Bankers Automated Clearing Service replacement system, telephony upgrade, replacement of host servers, remote management tools, replacement of service desk system, and geographical information system development all complete. In addition completion of the VPN project has delivered secure remote access to corporate systems using Apple and Android devices. The configurations for remote management and service desk systems is still currently on target for a live date of April 2016. The Freedom of Information system is now in place and available internally and externally following final staff training. Work has commenced on the scoping and design of the Northgate mobile working solution, and all uninterruptable power supplies within the Civic Offices are now in place. Despite a small underspend at present, it is still anticipated that all schemes will be completed within the current financial year and the budget will be on target. A carry forward of £89,000 was approved in December to allow for works that were expected to slip into 2016/17.
<b>Total</b>	<b>1,628</b>	<b>1,107</b>	<b>906</b>			

	15/16 Full Year Budget £'000	Third Quarter		15/16 Variance Budget v Actual		Comments
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Housing Developments	3,953	2,965	2,226	-739	-25	Housing developments include the new house building programme and the conversion works at Marden Close and Faversham Hall. Please refer to Annex 12 (major schemes) for timings, costs and information on phase 1 of the new build scheme as well as an update on future phases. The Marden Close works to convert 20 bedsits into 10 flats along with the conversion of Faversham Hall into 2 new 1-bed flats was completed in November, with all of the new tenancies commencing before 31st December 2015.
Heating/Rewiring /Water Tanks	2,928	2,135	2,165	30	1	This category includes gas and electrical heating, mechanical ventilation and heat recovery (MVHR) installation, electrical rewiring, and communal and individual cold water storage tank replacements. Currently this category is showing a minor underspend. Gas heating is the largest individual budget within this category and planned expenditure is back on target following the completion of the replacement of the gas communal boilers at Jubilee and Parsonage Courts. The budget for MVHR remains on target with some installation works planned for quarter 4. The planned electric heating installation programme has been completed on-time and within budget. The budget for rewiring is split between: electrical testing and upgrades of the communal landlord's electrical supplies; and domestic installations. Rewiring overall is on-target despite increased expenditure on the electrical testing and upgrade programme for the landlord's electrical supplies at council blocks of flats. The domestic programme undertaken is also on-target for 2015/16 despite reductions in the work required to bring domestic properties up to current electrical installation standards. The completion of the communal water-tank programme for 2015/16, includes the replacement of the last large capacity communal water-tanks installed in blocks of flats. With the replacement of all the large capacity communal water-tanks complete, the programme will concentrate on old individual water-tanks installed in flats and houses throughout the District. It is expected that the communal water-tank budget at the end of the financial year will show a slight underspend.
Windows/Doors/Roofing	2,598	1,896	1,252	-645	-34	All budgets in this category with the exception of flat roof coverings are currently underspent. This includes budgets for front entrance door replacement, PVCu window replacement, tiled roofing and balcony resurfacing programmes. Following the appointment of a specialist contractor who has accelerated the front door entrance programme, catch up works are underway, however, the budget is expected to be underspent at the end of the financial year. Works has commenced on the PVCu double glazing window replacements is on flats houses and bungalows. However, the performance of the new contractor has not been up to the required standard, consequently this budget is showing a large underspend. Officers have served an improvement notice on the contractor and have received assurances that installation standards will improve along with an acceleration of the programme but an underspend at 31st March is still anticipated. The flat roofing programme is currently showing an overspend following the identification and re-roofing of properties with flat roof coverings which are beyond economic repair. In contrast, expenditure on the tiled roofing programme is showing a large underspend, mainly due to delays in works at Hoe Lane (restricted access) and Park Square (external live cabling issues). Work has now picked up and the underspend expected to decrease by the year end. The balcony resurfacing programme is also currently showing an underspend and this is expected to stand at 31st March due to delays at Hill House; where the quotations received for the work were higher than estimated.
Total c/f	9,479	6,996	5,643			

	15/16	Third Quarter		15/16		Comments
	Full Year	15/16	15/16	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	9,479	6,996	5,643			
Other Planned Maintenance	421	301	97	-203	-68	This category includes Norway House improvements, door entry system installations and energy efficiency works. Norway House improvements and energy efficiency works are currently showing an underspend while the door entry system installations show a small overspend. Planned Norway House improvements include works to convert 2 flats into 3 flats and the splitting of a communal bathroom, both of which are due to commence by March 2016. A limited programme of door entry system installations has been completed with the budget showing a small overspend. The budget for energy efficiency work is showing the largest underspend; the only energy efficiency work that currently attracts substantial Government grant funding is the Domestic Renewable Heat Incentive (DRHI) which is repaid over a 7-year term following the installation of air source heating systems. Officers have continued with the accelerated programme of air source heating installation, which commenced in summer. However difficulties in gaining access to properties to complete the work is being experienced which may result in an underspend at the end of the financial year. As at 31st December, DRHI income totalled £32,000 with the forecast income over the 7-year term for registered installations expected to reach £350,000 providing there are no changes to the existing terms.
Kitchen Replacements	809	582	554	-28	-5	Kitchen and bathroom replacements are mostly undertaken as part of planned programmes of work but some are carried out on an ad hoc basis while properties are void (see comments in voids section). The planned kitchen replacement programme currently shows a proportionally small underspend due to no-access and on-hold properties; it is anticipated that this will still be the case at 31 March 2016. A 4-year planned bathroom upgrade programme of the flats located in the blocks at Copperfield is now complete, with works on the other planned programme of bathroom upgrades on target. The budget for bathroom replacements is expected to be overspent.
Bathroom Replacements	1,173	869	1,124	255	29	
Void Refurbishments & Other Small Works	3,251	2,453	1,208	-1,245	-51	The nature of void works is largely demand led and therefore it is difficult to predict expenditure outcomes. Although the budget is heavily underspent at 31st December 2015, expenditure is expected to increase until the end of the financial year. Expenditure on capital work void properties has recently been identified to specific budgets including gas heating, structural works, rewiring, water-tanks, kitchen and bathroom replacements. Expenditure on the rewiring is on target, but the number of domestic properties identified for a full rewire has reduced and, if this trend continues a slight underspend at 31st March is expected. Kitchen and bathroom replacements on void properties are only undertaken if necessary. As many void properties have already had a replacement under the planned programme, works on voids has reduced. Based on current expenditure it is thought that the budget overall will be underspend at 31st March 2016.
Council Estate Parking, Garages & Other Environmental Works	991	723	544	-179	-25	This category includes garages, fencing, off-street parking, estate environmental works, external lighting schemes and gas pipe-work replacement programmes. The largest project within this category is the off-street parking; it also represents the largest underspend of the category. The off-street parking schemes are jointly funded between the HRA and General Fund. Currently the off-street parking schemes for Paley Gardens and Torrington Drive have been fully designed, however the submission of the planning applications has been delayed. Torrington Drive was delayed due to the extensive arboriculture and landscaping works required; and with the submission of a planning application is expected in early February. The scheme at Paley Gardens was delayed due to limited public surface water sewer capabilities and is still subject to site investigations, the submission of a planning application is expected in early March. The work and expenditure for both of these sites is committed along with the completion of resident consultation on the design options for the sites in Phase 6. However, it is likely that the off-street parking budget will be underspent in 2015/16. The programme for the gas pipe-work replacement is progressing well. The blocks in Waltham Abbey have now been completed, with the commencement for the last phase of the scheme in Loughton ahead of schedule. It is anticipated that the 2015/16 budget will be fully spent by the end of the financial year. The programme for 2016/17 will only contain 4 blocks, Hedgers Close, The Spinney, Longcroft Rise and Highwood Lane. The budget for external lighting schemes has been increased for 2015/16 with works completed at Jessopp Court and a number of other projects. The works identified following the electrical testing were not as extensive as expected and the external lighting scheme budget is expected to be underspent for this financial year. The garage budget is currently underspent, but works are ongoing; the fencing budget is on target to be spent by the 31st March.
Total c/f	16,124	11,924	9,170			

2015/16 DIRECTORATE CAPITAL MONITORING -  
HOUSING REVENUE ACCOUNT

ANNEX 10

	15/16	Third Quarter		15/16		Comments
	Full Year	15/16	15/16	Variance		
	Budget	Budget	Actual	Budget v Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	16,124	11,924	9,170			
Structural & Other Works	395	275	324	49	18	Currently structural repairs expenditure is ahead of programme due to the advanced programme of capital works. With additional ad hoc work the miscellaneous structural works budget is expected to be overspent at 31st March.
Disabled Adaptations	442	313	372	59	19	Expenditure on the disabled adaptations and welfare heating budget is currently ahead of programme due to a number of large projects and an increase in demand for disabled adaptations. It is anticipated that the budget will be fully spent before the end of the financial year and a number of disabled adaptation requests will have to be put on hold until the next financial year
Other Repairs and Maintenance	103	62	76	14	23	This category includes feasibilities, asbestos removal and the contingency budget. The largest programme within this category is asbestos removal which is demand led and currently shows an overspend. It is anticipated that expenditure on feasibilities will be underspent at the end of the financial year.
North Weald Depot	300	225	0	0	0	This budget has been set aside to fund the building of a new depot at North Weald for the housing maintenance team, which replace the facility at St John's Road, Epping. Advice has been received from external solicitors regarding the appointment of a contractor in the light of the procurement requirements of letting a "concessionary" contract of this potential nature. Work has commenced on drafting an outline specification in accordance with the key principles agreed by Members.
Capital Service Enhancements	242	182	103	-79	-43	The capital service enhancements budget includes the front entrance fire door replacement programme on leasehold properties; the Oakwood Hill Estate enhancement scheme; the refurbishment of communal kitchens in sheltered schemes; and a small budget for the provision of electric scooter store designs at sheltered schemes. Phase 2 of the refurbishment of sheltered housing schemes communal kitchens has been completed slightly over budget due to additional work on lift and door entry equipment. After completing the provision of electric scooter stores at two schemes in 2014/15, a review of demand for scooter stores was undertaken and a small budget made available for 2015/16 for design works on currently on-hold schemes. The results of the review undertaken on the pilot schemes at Chapel Road and Parsonage Court are inconclusive as one scheme had a good take up, while the other had a poor take up. Following a recent fire associated with the electrical charging of a mobility scooter at Buckhurst Court, a scooter store is planned for 2016/17. The front entrance fire door replacement project on leasehold properties is currently underspent. These works are demand led and although they are increasing, an underspend is still expected at 31st March. There has been no expenditure on the Oakwood Hill Estate enhancement scheme as the scope of the work has yet to be agreed with the project team and expenditure is currently on hold. A carry forward is likely to be requested as part of the Capital Outturn Report.
Housing DLO Vehicles	0	0	0	0	0	Due to the need to replace some council owned tipper vehicles in 2016/17, the budget had been carried forward to accommodate these more expensive vehicles in 2016/17.
<b>Total</b>	<b>17,606</b>	<b>12,981</b>	<b>10,045</b>			

REFCuS	15/16 Full Year Budget £'000	Third Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Disabled Facilities Grants	500	375	451	76	20	Expenditure on Disabled Facility Grants (DFGs), advanced to private sector residents in the district, is currently exceeding the budget. The ability to control costs, however, is limited because the Council has a legal duty to provide DFGs to all residents who meet the eligibility criteria and residents are referred to Epping Forest District Council by occupational therapists provided by Essex County Council. Expenditure on DFGs is nearing the full year budget however, measures employed to control expenditure in the second half of the year are proving successful. The number of referrals has risen significantly since 2014/15 and continues to do so. As a result the impending demand it is likely to have significant bearing upon DFG budgets in 2016/17 and 2017/18 at the very least. To cater for this trend the Council agreed to a supplementary estimate of £120,000 for 2015/16 and capital growth bids of £120,000 for the following 3 years until 2018/19.
Other Private Sector Housing Grants	12	9	10	1	N/A	This expenditure covers outstanding private sector housing grants, approved in 2013, under the previous system of non-repayable grants for decent homes, small works and thermal comfort assistance. Financial assistance in the form of repayable loans instead of grants has now been introduced and progress on this scheme is reported separately in the capital loans section below.
Superfast Broadband Programme	84	84	84	0	0	Following the award of the Superfast Broadband (Phase 2b Rural Challenge Project) contract to Gigaclear, work has commenced on building of the network. Progress has been made in the Bobbingworth and Moreton areas of the district and a second fibre cabinet has been built just outside Fyfield. Works to connect up this cabinet to the wider network have also begun. The first customer of the Gigaclear ultrafast network was connected and went live just before Christmas. The next cabinet planned for the network will be located in the Norton Heath area. As part of the drive to generate more business take-up of the wider offer, Superfast Essex will shortly be running a series of digital workshops, one of which will be hosted in Ongar on 3rd March. It is planned to promote these workshops and a digital toolkit in the next edition of this Council's magazine for businesses.
HRA Leaseholders	150	0	0	N/A	N/A	These costs relate to capital works on sold Council flats, currently shown in the HRA capital programme. They are will be identified once the works are complete and reported at the end of the financial year.
<b>Total</b>	<b>746</b>	<b>468</b>	<b>545</b>			

CAPITAL LOANS	15/16 Full Year Budget £'000	Third Quarter		15/16 Variance Budget v Actual		<u>Comments</u>
		15/16 Budget £'000	15/16 Actual £'000	£'000	%	
Home Ownership Schemes	146	146	146	0	0	The Open Market Shared Ownership Scheme provided interest-free loans to B3Living to enable first time buyers to purchase properties on the open market on a shared ownership basis. Phases 1 and 2 have been successfully completed and in December 2015, Cabinet agreed not to fund any more phases. Although there will be no further expenditure, income will be received in the future, as and when shared owners purchase additional equity in the properties. The Council will recover the original loans, plus any uplift in the value of the properties.
Repayable Private Sector Housing Loans	160	120	89	-31	-26	The Council currently offers discretionary financial assistance in the form of repayable loans for private sector housing improvements. Although uptake was slow when the scheme was first introduced on 1st July 2015, demand has since increased and the level of current commitments suggest that expenditure in this year will be in the region of £130,000; this is almost double the £65,000 advanced last year. The Council intends to continue in accordance with the amended Housing Assistance Policy 2015-2017, which was effective from April 2016.
<b>Total</b>	<b>306</b>	<b>266</b>	<b>235</b>			

HOUSE BUILDING PHASE 1											
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure To 31 Dec 2015	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date	
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	% ((E-C)/Cx100)	£'000 (C-D)	
Apr-14	Jun-15	Oct-14	Jul-16	3,948	-429	3,519	1,964	3,519	0%	1,555	

**Phase 1:** Work started on time in October 2014 on 4 sites in Waltham Abbey, which make up Phase 1 of the Council's Housebuilding Programme after the fifth site was rejected. However, the works have not progressed in line with the original contract period, which had a completion date of 13 November 2015. From the contract completion date, a certificate of non-completion was served on the contractor Broadway Construction Ltd, with liquidated and ascertained damages (LAD's) being deducted from each payment at a rate of around £10,200 per week. These damages are set to reflect the loss of rent for the properties and the cost of employing consultants to continue to manage the contract.

As at 19 January 2016, approximately 50% of the value of works was completed. The latest estimate suggests that the contractor is behind programme by between 5 and 8 months based on a 12-month contract. The contractor continues to report that they will complete works on the Red Cross site and the two sites on Roundhills by March 2016 and they will complete works on the site in Harveyfields in July 2016.

The contractor has now submitted a formal request for an extension of time, which was received in mid December 2015. The claim is being considered in accordance with the contract, which allows the Council 12-weeks to respond.

**Future Phases:** Since obtaining planning permission for Phase 2 in September 2015 to build 51 homes at Burton Road, tenders were received based on a "Design and Build" contract and considered by the Cabinet Committee on 19 January 2016. The tender submitted by Mullalley & Co Ltd in the sum of £9,847,179 was accepted. It is anticipated that possession will be given on 23 February 2016, with work starting on site in August 2016. Completion is anticipated in March 2018.

Planning approval has been granted on 8 sites that make up Phase 3 of the house-building Programme, which centres on Epping, Coopersale and North Weald. At its meeting on 19 January 2016, the Cabinet Committee agreed to let these sites as 7 contracts using a mix of contract types including Design and Build as well as more traditional design contracts. Planning applications have been submitted for 10 sites in Loughton, which makes up Phase 4 and applications are being prepared for Phase 5 in Buckhurst Hill and Ongar.

#### EPPING FOREST DISTRICT MUSEUM

Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Actual Finish Date	Original Pre-Tender Forecast	Updates	Approved Budget	Actual Expenditure To 31 Dec 2015	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	% ((E-C)/Cx100)	£'000 (C-D)
Feb-14	Jan-15	Apr-15	Dec-15	1,750	433	2,183	2,017	2,183	0%	716

In November 2012 the Museum Service submitted a bid to the Heritage Lottery Fund for an extension and redevelopment of the Epping Forest District Museum, this was supported by an agreed capital commitment from this Council of £250,000 towards the purchase of the lease of the first floor of the adjoining 37 Sun Street. The bid was successful resulting in an award totalling £1,654,000 in March 2013; £1,500,000 for the capital redevelopment works and £154,000 for the associated engagement programme over a three year period. The project set out to transform the museum, providing step free access across the site and bringing a large percentage of the reserve collections into the heart of the museum.

Coniston Ltd were awarded the contract in December 2014 and Cabinet approved an additional allocation of £345,000 to allow for the agreed tendered sum. Works began on site at the end of April 2015 with a projected completion by end of October 2015. However, there were a number of events which caused delays including: a requirement to record several elements of historic listed building fabric and archaeological features before their removal; the builders cutting through active ventilation ducts for the library; difficulties with the planned installation of the lift, which enables the building to have step-free access (a main requirement of the Heritage Lottery Fund); and the need for temporary alterations to access the residential floor above and put in place additional fire protection for the museum.

The additional building work resulted in a delay of over 8 weeks and the Council took practical completion of the museum building in December 2015. A report was submitted to Cabinet in December 2015 to consider the extension of time required for the main building contract. The report informed Members that total cost of variations to the original contract price had been just under £158,000, but that officers had worked closely with the project architects and Coniston to reduce costs on a range of items. This resulted in a significant reduction in costs, such that nearly £70,000 of the additional work was covered within the contract sum and contingency. Cabinet approved additional funding to finance the remaining £88,000, which covers the increased building costs and also increased professional fees from Hawkins Brown, the project architects and contract administrators. The additional funding represents an uplift of around 6% on the building contract and officers approached the Heritage Lottery Fund in an attempt to secure an increase in their grant contribution towards the project but unfortunately this was not forthcoming.

Members will be delighted by the completed museum, which is a flagship design for Essex County Museums and, one of only a few museums in the East of England that has an innovative, 'open storage display', which can be seen through a series of floor to ceiling viewing windows. This allows for visitors to see a much greater amount of the museum collection, which can be easily changed over, so that there is always something new to see on display. The new facility also includes a community room for educational work, talks, presentations and functions, and a first rate temporary exhibition space, which will be available for hire, as well as the museums own exhibitions. All of these attractions make the museum a place to visit for a much longer period of time and it is hoped will draw visitors from further afield than the district itself. Members are invited to the 'Private View' opening event, which is being held on 17 March 2016, or at any time that the museum is open following the public launch on 19 March.

**EPPING FOREST SHOPPING PARK**

Proposed Start on Site Date	Proposed Finish Date	Actual Start on Site Date	Actual Finish Date	Original Tender	Pre-Forecast	Updates	Approved Budget	Actual Expenditure To 31 March 2015	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Unspent To Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	% ((E-C)/Cx100)	£'000 (C-D)	
Jun-16	Feb-17	N/A	N/A	31,161	0	31,161	12,681	31,161	0%	18,480	

From the inception of the Shopping Park Development, external consultancy advice has been obtained with respect to the various technical roles and responsibilities involved in managing a project of this scale and complexity. These consultants have been working together in a Project Team, with co-ordination provided by a specialist project manager from White Young and Green. A number of the consultants were originally engaged by Polofind and all costs were split evenly between the Council and Polofind until the Council acquired the sole interest. The Council's external solicitors, DAC Beachcroft have been transferring the consultant's appointments to the Council and a number of the revised contacts have now been completed, with the remainder to be concluded by the end of October 2015.

The Asset Management and Economic Development Cabinet Committee has responsibility for the detailed monitoring of the scheme and a report was presented to the meeting in October 2015, which outlined how this would be achieved in practice.

The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000, which was approved by Cabinet in June 2015. This supplementary sum covers the purchase of Polofind's interest in the Epping Forest Shopping Park and the development of the site at Langston Road by the Council as sole owner developers. It also includes an estimate for S278 Highways Works and professional fees relating to letting agents, some of which will constitute revenue expenditure.

The purchase of Polofind's interest was completed on the 3rd July 2015 and the tenders, for both the S278 Highways Works and the main construction contract for the Epping Forest Retail Park were issued to perspective tenderers. At the Cabinet Meeting of the 11 January 2016 the Section 278 highways work contract was awarded to Walkers Construction Ltd at a tendered sum of £2,070,000. However progress has been hampered by some very restrictive traffic management constraints imposed by Essex County Council after the tenders were submitted. A new design has now been agreed to re-position a large foul drain on the grass verge and a contingency sum of £180,000 has been set aside to cover the costs of any variations required by Thames Water. These costs, plus the cost of the work undertaken by BT, other utility companies, Essex County Council and professional consultants, combine to give a total estimated cost in the region of £3,600,000 for the Section 278 works.

With regard to the main contract, no tenders were returned when the contract was first let under an open OJEU procedure. However, it has now been re-tendered under the restricted process and tenders are due to be returned on the 1 April 2016. This delay has required the target opening date for the shopping park to be moved to Easter 2017 and there is an associated slippage in costs; it is anticipated that approximately £1,600,000 of the 2015/16 estimate will be required to be carried forward to 2016/17. Progress is being made and negotiations are well advanced with anchor tenants with interest in the shopping park remaining high as it is currently the only retail park under construction within the M25.



## **Report to the Resources Select Committee**

**Date of meeting: 12 April 2016**



**Portfolio: Technology & Support Services**

**Subject: Information and Communications Technology (ICT) Update**

**Responsible Officer: David Newton (01992 564580).**

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

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

**To note the progress on ICT projects for 2015/2016.**

### **Executive Summary:**

Work on projects within the ICT Strategy for 2013/2018 is still on-going and this report gives an update of progress to-date. Overall projects are on track and progressing well, in line with expectations. Previous years have seen ICT concentrated on implementing new systems to facilitate mobile and flexible working. This year we have been concentrating on fine tuning these systems and consolidating the processes required. Changes in the way we use the systems has also impacted on the way we licence these products and a lot of time has been spent liaising and negotiating with our suppliers to ensure we are correctly licenced for their products. In the future, most products will only be available as software as a service (SaaS) which will again change the way we use and pay for our software.

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

The terms of reference of the panel include – ‘to monitor and review progress on the implementation of all major ICT systems’.

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

Members’ could ask for further detailed information on any of the schemes summarised on the following pages.

### **Report:**

### **1. BACS electronic payment system replacement**

Project description: The Bankers' Automated Clearing Services (BACS) is the system which processes the council's electronic payments such as Direct Debits. The system required replacement in order to comply with stricter banking security regulations.

Situation Report: Compliance deadlines were achieved and payments to suppliers and residents were unaffected.

### **2. UPS (Uninterruptable Power Supply) replacement**

Project description: The provision of UPS (Uninterruptable Power Supply) units are required to provide back-up power to our servers and network switches in the event of power failure.

Situation Report: Both servers and switches are sensitive to power fluctuations and need to be protected. In the event of short term power failures, the UPS devices will enable services such as telephony to continue to function until such time as the generator kicks in or power is restored. The Civic Offices rollout has been completed. Remote sites will be completed early in the new financial year.

### **3. PC Remote management tools**

Project description: The Systems Centre Configuration Manager (SCCM), which is a remote management product, was required to enable software installations and upgrades, both locally and remotely.

Situation Report: This system has already saved considerable time by removing the requirement of having to return a unit to base for essential upgrades. This system has been fully deployed but needs further development to fully automate the patching element of software. It is anticipated that this will be achieved by June 2016

### **4. Replacement Service Desk System**

Project description: Following the merging of the ICT and Facilities Management departments, a replacement service desk was required to incorporate the running of both support functions within the same system.

Situation Report: The system live date has been delayed until May 2016 for ICT, with Facilities Management following towards the end of the financial year 2016/2017. This system will not only give benefits for internal customers, for example by improving self-service functionality, it will also allow for more efficient use of support staff across the two teams, and more efficient management of specialist staff.

### **5. VPN Replacement**

Project description: Upgrade to the current Virtual Private Network (VPN) solution to provide a more usable solution for staff and members

Situation Report: An upgraded version has successfully been installed which along with increased stability, replaces the physical key tokens with a software equivalent, reducing the number of transactions required, and improving the user experience.

## **6. Set up off site servers for disaster recovery.**

Project description: Set up telephony and storage area network (SAN) functionality at a remote facility to enable telephony resilience and data replication.

Situation Report: All Servers are now on-line and data transfer is currently under testing. The project has been delayed due to connectivity issues and a major modification to improve the initial solution. Completion is now scheduled for July 2016.

## **7. Development of a mobile planning system**

Project description: Improved mobile working functionality within the planning department.

Situation Report: Following a recent demonstration of the Northgate Mobile working solution for Building Control (BC), ICT approached the supplier regarding the potential for a similar solution for Development Management and Planning Enforcement. This upgrade is capable of transforming the way Development Management officers can work when out of the office – with or without mobile connectivity. Northgate were planning to launch this product during this year, but required business input into the design process – EFDC ICT and Development Management working in partnership will provide this business input. The system will enable officers to work on site, and also to remotely update back office systems, for Officer's with casework it also offers the potential to change their work patterns as case load and visit details can be picked up from home in the morning – removing the need to attend the office to collect work.

This means that the Development Management mobile working application will be designed to ensure it meets the needs of the teams in that area. The application will be Android based. This opportunity to simultaneously transform the way that Development Management works, and also being a key stakeholder in the design of the new application is an exciting and major opportunity for the council. Once the Development Management project is underway it is proposed to introduce the systems into Building Control as well.

## **8. Unmanned Aerial Vehicle (UAV)**

Project description: Following a report to Cabinet the council has agreed to purchase an Unmanned Aerial Vehicle (UAV) under the 'Invest To Save' scheme. The report highlighted many areas where cost savings can be achieved through innovative technical solutions (such as various aerial surveys, 3D modelling and surveillance uses) and savings to officer time, along with potential for income generation by selling services, photos and videos.

Situation Report: ICT GIS staff will fly the 'drone' and will receive CAA approved training and accreditation, with the council obtaining CAA 'Permission for Aerial Work' approval. Technology in this field is evolving extremely quickly, with technology costs falling and benefits rising. By purchasing this solution the council has positioned itself to be at the forefront of these developments, taking advantage of the income generation and cost saving benefits this will bring.

## **9. Gazetteer Integration (2016-008), Capita Academy, Northgate OHMS**

Project description: Links to the Corporate Gazetteer need to be implemented for all property based systems not currently linked (Estates; Council Tax; NNDR; Housing; Electoral Registration)

Situation Report:

This project has been severely delayed due to Waste Management project taking priority.  
The project is due to restart in April 2016, with completion scheduled for March 2017.

**Resource Implications:**

The proposed ICT Work Programme and resource requirements are presented to Cabinet each year.

**Legal and Governance Implications:**

None

**Safer, Cleaner and Greener Implications:**

None

**Consultation Undertaken:**

Liaison and presentations to Leadership Team.

**Background Papers:**

ICT Strategy – 2013/2018

**Impact Assessments:**Risk Management

All projects are assessed on an individual basis and a risk capture sheet is contained within the latest ICT Business Plan.

# Due Regard Record

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

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

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<b>Date / Name</b>	<b>Summary of equality analysis</b>
21/03/16 <b>David Newton</b>	<p>The projects within this report will impact on both employees and the public</p> <p>The two groups impacted by the strategy are members of staff and people with disabilities. (Public in terms of online service via the website, staff in terms of new technology).</p> <p>Mitigation is in place for both of these areas, a training needs analysis is carried out for new starters, and one to one coaching is available to them if required (and to existing staff). We will also ensure that suitable hardware and software solutions (e.g. Jaws) are tested and available to staff members with disabilities that require them</p> <p>In terms of online service provision, the Website Development Board continues to oversee the development of the website and collate any feedback received, which is then fed back into the design of the site.</p> <p>The move to put more services online helps make information more available to all groups, and accessible to those with mobility issues, or who are unable to access our services in normal hours. (In particular the online booking form supplements telephone bookings and as such is an enhancement of service for those with a hearing impairment.)</p> <p>The projects will also offer benefits by increasing the scope for flexible/remote working by staff, which will assist those with Caring responsibilities.</p>

## **Report to the Resources Select Committee**

**Date of meeting: 12 April 2016**



**Portfolio: Technology and Support Services**

**Subject: Telephone Monitoring Statistics**

**Responsible Officer: David Newton (01992 564580).**

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

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

**To note the telephone monitoring statistics covering the period April 2015 to February 2016**

### **Executive Summary:**

The Resources Select Committee agreed at the meeting on 10 March 2015 that new reporting definitions on call handling should relate to;

- i) The percentage of abandoned calls; and
- ii) The number of calls sent directly to the voicemail system.

The Committee requested that these statistics be reported on a quarterly basis.

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

The Resources Select Committee have requested an update on the progress made with regard to monitoring the telephone statistics.

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

None.

**Report:**

1. To assist in identifying trends in call handling, Appendix 1 shows the monthly breakdown of abandoned & voicemail calls as a percentage in a graphical format. Appendix 2 is a graphical representation of total calls answered, abandoned and sent to voicemail.

2. ICT have been working with all directorates to assist in identifying best working practices using the Shoretel system. The statistics below highlight that with an average of 28,000 calls each month the abandoned call rate is now down to 5% and calls to voicemail at 6%

3. These statistics are regularly reported to Management Board. Operational managers are aware of these figures and are working to improve them further where possible.

**Consultation Undertaken:**

None required.

**Background Papers:**

RSC minutes 13 October 2015



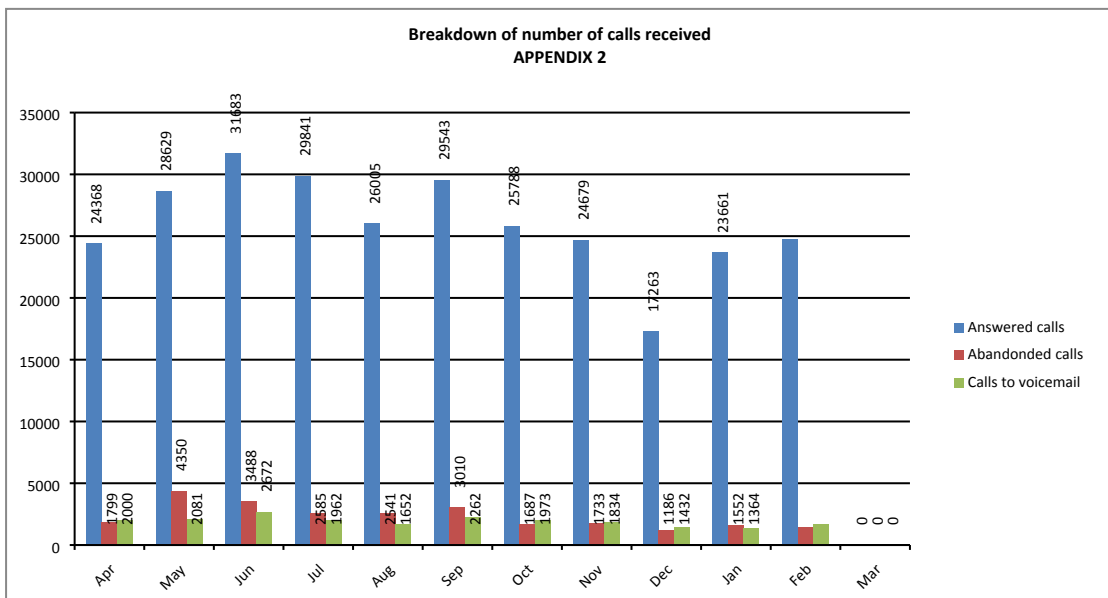
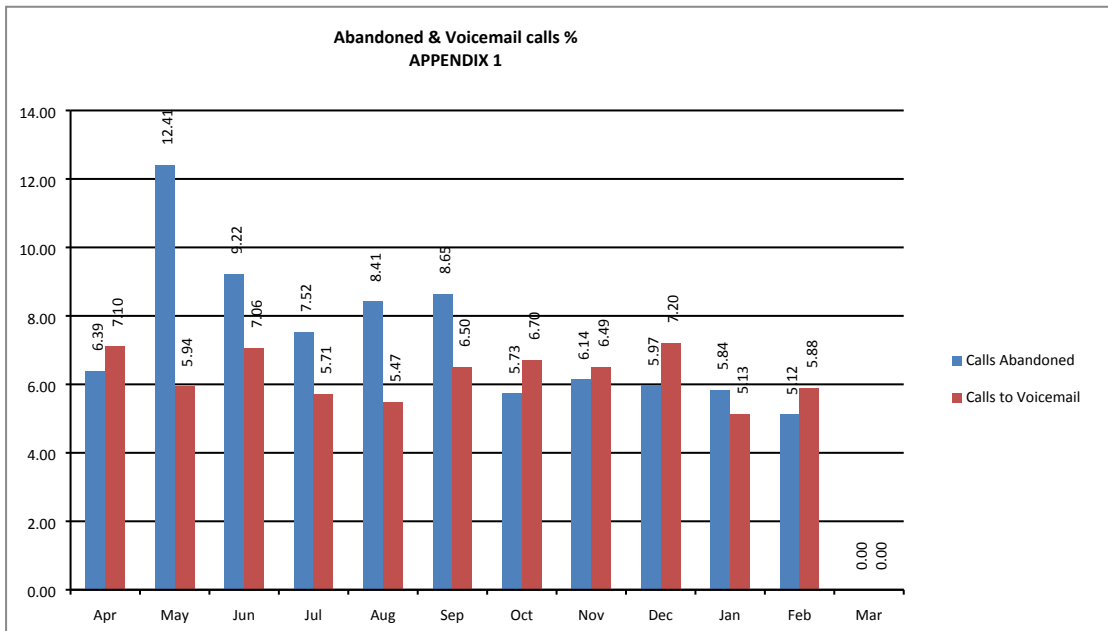
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S149 Equality Act 2010 requires that due regard must be paid to this information when considering the subject of this report.

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<b>Date / Name</b>	<b>Summary of equality analysis</b>
21/03/16 <b>David Newton</b>	The process of producing performance statistics will have no impact on any equality issues.



Workgroup & CC Queue Summary Report - February 2016				APPENDIX 3		
Workgroup names	Abandoned	Handled by WG Voicemail	Total calls		% Abandoned	% Voicemail
Communities Booking Line (X2983)	6	0	61	Com	10	0
Communities Booking Line (X4226)	0	0	103	Com	0	0
Communities Finance	2	0	42	Com	5	0
Communities information and tenant involvement	2	0	25	Com	8	0
Community Safety Team (x2736)	0	1	12	Com	0	8
Home Ownership Team (x4428)	5	42	201	Com	2	21
Housing Allocations (x4716)	36	0	930	Com	4	0
Housing Assets (x2727)	4	46	319	Com	1	14
Housing CARE Agency (x4086)	5	56	169	Com	3	33
Housing Grants (x2728)	0	0	4	Com	0	0
Housing Homelessness Assessment (x4027)	49	0	239	Com	21	0
Housing Maintenance x4199(x1988)	298	0	1961	Com	15	0
Housing Management North (x4545)	25	12	703	Com	4	2
Housing Management South (x2726)	27	28	434	Com	6	6
Housing Prevention (x4165)	74	0	984	Com	8	0
Limes Centre Housing staff (x2826)	0	1	5	Com	0	20
Private Sector Housing (x4348)	10	32	137	Com	7	23
Waltham Abbey Museum (x4992)	4	4	137	Com	3	3
<b>COM</b>	<b>547</b>	<b>222</b>	<b>6466</b>		<b>8</b>	<b>3</b>
Admin Registration Team ( x4584 )	64	120	980	Gov	7	12
Building Control Surveyors (x4286)	11	67	133	Gov	8	50
Civic Reception Info Desk (x2500)	3	0	61	Gov	5	0
Civic Reception Info Desk (x4288)	0	0	64	Gov	0	0
Democratic Services (x4243)	0	0	69	Gov	0	0
Fraud Hotline (x4444)	2	6	19	Gov	11	32
Local Land Charges (x2739)	3	0	158	Gov	2	0
Planning Building Control (x2047)	49	417	1252	Gov	4	33
Planning Enforcement Team (x2800)	1	0	1	Gov	100	0
Planning Policy Hotline (x4517)	3	2	52	Gov	6	4
Planning Reception (x2792)	3	149	324	Gov	1	46
Public Relations (x4140)	3	0	20	Gov	15	0
Tom Carne (x4039)	7	0	37	Gov	19	0
<b>GOV</b>	<b>149</b>	<b>761</b>	<b>3170</b>		<b>5</b>	<b>24</b>
Emergency Planning	1	0	1	Nei	100	0
Engineering, Drainage & Water x2967	0	0	1	Nei	0	0
Enviro & Neighbourhoods x2968	0	1	3	Nei	0	33
Licensing (x4721)	0	16	134	Nei	0	12
Neighbourhoods Parks (x2720)	0	4	5	Nei	0	80
Neighbourhoods Waste (x2721)	0	0	1		0	0
North Weald Gate House (x4200)	13	22	402	Nei	3	5
Trees and Landscapes Team (x2814)	4	12	66	Nei	6	18
CONTACT CENTRE	94	2	2776	Nei	3	0
<b>NEI</b>	<b>112</b>	<b>57</b>	<b>3389</b>		<b>3</b>	<b>2</b>
Benefits A-L (X2081)	49	2	843	Res	6	0
Benefits M-Z (X2082)	46	2	577	Res	8	0
Cash Office (X4258)	4	35	70	Res	6	50
Cash Office (X4349)	85	481	760	Res	11	63
Council Tax Business rates 4064 ( X1305)	1	0	225	Res	0	0
Council Tax Recovery 4030 ( X1300)	4	0	421	Res	1	0
Facilities Management (x4760)	0	0	1	Res	0	0
Helpdesk 4888 (x1310)	10	2	73	Res	14	3
Print - Reprographics (x4388)	2	11	75	Res	3	15
Superintendents (x4619)	11	7	54	Res	20	13
Switchboard (x2000)	328	0	7889	Res	4	0
CONTACT CENTRE	70	0	3619	Res	2	0
<b>RES</b>	<b>610</b>	<b>540</b>	<b>14607</b>		<b>4</b>	<b>4</b>
<b>Overall Total</b>	<b>1418</b>	<b>1580</b>	<b>27632</b>		<b>5</b>	<b>6</b>

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