

# Committee Agenda



**Epping Forest  
District Council**

## **Finance and Performance Management Cabinet Committee Thursday, 30th March, 2017**

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

**Committee Room 1, Civic Offices, High Street, Epping  
on Thursday, 30th March, 2017  
at 7.00 pm .**

**Glen Chipp  
Chief Executive**

**Democratic Services  
Officer**

R. Perrin Tel: (01992) 564532  
Email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

### **Members:**

Councillors G Mohindra (Chairman), S Stavrou, A Lion, C Whitbread and R Bassett

**PLEASE NOTE THE START TIME OF THIS MEETING**

### **BUSINESS**

**1. APOLOGIES FOR ABSENCE**

**2. SUBSTITUTE MEMBERS**

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

**3. DECLARATIONS OF INTEREST**

(Director of Governance) To declare interests in any item on this agenda.

**4. KEY PERFORMANCE INDICATORS 2016/17 Q3 PERFORMANCE; 2017/18  
REVIEW AND TARGETS (Pages 3 - 22)**

(Director of Resources) To consider the attached report (FPM-028-2016/17).

**5. QUARTERLY FINANCIAL MONITORING (Pages 23 - 40)**

(Director of Resources) To consider the attached report (FPM-029-2016/17).

**6. RISK MANAGEMENT - CORPORATE RISK REGISTER (Pages 41 - 70)**

(Director of Resources) To consider the attached report (FPM-030-2016/17).

**7. ANY OTHER BUSINESS**

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

**8. EXCLUSION OF PUBLIC AND PRESS**

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

<b>Agenda Item No</b>	<b>Subject</b>	<b>Exempt Information Paragraph Number</b>
Nil	Nil	Nil

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

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

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

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

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

**Report Reference: FPM-028-2016/17**

**Date of Meeting: 30 March 2017**



**Epping Forest  
District Council**

**Portfolio:** Governance and Development Management

**Subject:** Key Performance Indicators 2016/17 Q3 Performance; 2017/18 review and targets

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

**Democratic Services Officer:** Rebecca Perrin (01992 564532)

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**Recommendations/Decisions Required:**

(1) that the Committee reviews Quarter 3 performance for the Key Performance Indicators adopted for 2016/17;

(2) That, subject to the views of the select committees, the proposed Key Performance Indicators and targets for 2017/18 be agreed.

**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. As part of the duty to secure continuous improvement, a range of Key Performance Indicators (KPI) relevant to the Council's service priorities and key objectives, is adopted each year. Performance against all of the KPIs is reviewed on a quarterly basis.

**Reasons for Proposed Decision:**

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

**Other Options for Action:**

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

**Report:**

1. A range of thirty-six Key Performance Indicators (KPI) was adopted for 2016/17 in March 2016. The KPIs are important to the improvement of the Council's services and comprise a combination of former statutory indicators and locally determined performance measures. The aim of the KPIs is to direct improvement effort towards services and the

national priorities and local challenges arising from the social, economic and environmental context of the district.

2. Progress in respect all of the KPIs is reviewed by Management Board and overview and scrutiny at the conclusion of each quarter, and service directors review KPI performance with the relevant portfolio holder(s) on an on-going basis throughout the year. Select Committees are each responsible for the review of quarterly performance against specific KPIs within their areas of responsibility.

### **Key Performance Indicators 2016/17 – Quarter 3 Performance**

3. The position with regard to the achievement of target performance for the KPIs at the end of the third quarter (31 December 2016), was as follows:

- (a) 26 (70%) indicators achieved third quarter target;
- (b) 11 (30%) indicators did not achieve third quarter target, although 4 (11%) of KPIs performed within the agreed tolerance for the indicator; and,
- (c) 31 (84%) indicators are currently anticipated to achieve the cumulative year-end target, and a further 3 (8%) are uncertain whether they will achieve the cumulative year-end target.

4. A headline Q3 KPI performance report for 2016/17 is attached for the consideration of the Committee as Appendix 1 to this agenda. Detailed performance reports in respect of each of the KPIs will be considered by the individual select committees.

5. The 'amber' performance status used in the KPI report identifies those indicators that missed the agreed target for the year, but where performance was within an agreed tolerance or range (+/-). The KPI tolerances were agreed by Management Board when targets for the KPIs were set in March 2016.

### **Key Performance Indicators 2017/18 – review and targets**

6. The adoption of challenging but achievable KPIs each year is a key element of the Council's Performance Management Framework. The continued relevance of the existing KPI set for 2017/18 has recently been considered by Management Board. Service directors have identified provisional targets for each indicator with the relevant portfolio holder(s), based on third-quarter performance (and the estimated outturn position) for the current year.

7. The current set is considered appropriate with the following changes:

#### **Recommended for deletion:**

- RES009, RES010, and RES011 – the website indicators
- COM006 - How many of the key building components required to achieve the Modern Homes Standard were renewed

**New indicators:** No new indicators are recommended for 2017/18.

**Changes to targets:** a number of changes to targets are detailed in the attached Appendix 2.

8. Improvement plans will be developed for KPIs if and when they fail to achieve target. Management Board will also review the provisional targets for 2017/18 for each KPI, with reference to outturn data for 2016/17 when this is available. Any revisions to targets on the basis of the outturn position will be reported to the Committee and the appropriate select committees in June 2017.

9. The proposed changes to the Communities Directorate KPIs for 2017/18 as set out at

para. 7, were supported by the Communities Select Committee on 14 March 2017. The proposals for the remaining indicators will be considered by the relevant select committees in the current round of meetings.

10. The Committee is requested to review Q3 performance for the 2016/17 set of KPIs and agree the proposed KPI set and targets for 2017/18.

**Resource Implications:** None for this report.

**Legal and Governance Implications:** None for this report; however performance management of key or new high level initiatives is important to the achievement of value for money.

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

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

**Background Papers:** Q3 KPI submissions held by the Performance Improvement Unit. KPI calculations and supporting documentation held by respective service directorates

**Impact Assessments:**

**Risk Management:** None for this report.

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# Equality analysis report

Use this report template to record your equality analysis. This report is a written record that demonstrates that you have shown *due regard* to the need to **eliminate unlawful discrimination, advance equality of opportunity and foster good relations** with respect to the personal characteristics protected by equality law.

## Step 1. About the policy, service change or withdrawal

Name of the policy, service or project: <i>be specific</i>	<b>Key Performance Indicators 2016/17 Q3 performance and review and targets 2017/18</b>
Revised / new / withdrawal:	<b>Performance and review report</b>
Intended aims / outcomes/ changes:	<b>To set challenging targets for the Council's performance and to measure performance against those targets</b>
Relationship with other policies / projects:	<b>Corporate Plan 2015-20 KPI performance reports</b>
Name of senior manager for the policy / project:	<b>Colleen O'Boyle Director Governance</b>
Name of policy / project manager:	<b>Barbara Copson Senior Performance Improvement Officer</b>

## Step 2. Decide if the policy, service change or withdrawal is equality relevant

<p>Does the policy / project / service process involve, or have consequences for employees or other people? If yes, please state who will be affected. If yes, then the policy / project is equality relevant.</p> <p>If no, state your reasons for this decision. Go to step 7.</p> <p><i>The majority of Council policies and projects are equality relevant because they affect employees or our communities in some way.</i></p>	<p>If yes, state which protected groups:</p> <p><b>All groups are potentially impacted by the Council's performance against measures of the Council's aims and objectives and key services.</b></p> <p><b>However this report provides details of the measures and targets, together with performance against those targets, rather than seek approval for the aims, objectives and other key activities which they measure. Therefore equality information is not required for this report.</b></p>
	<p>If no, state reasons for your decision:</p>

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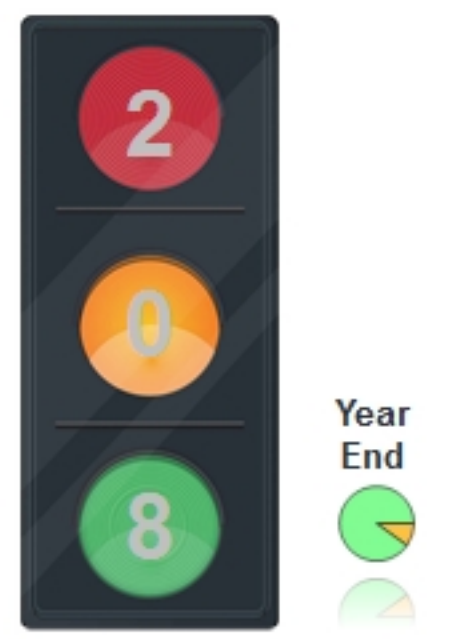
Overall summary of KPIs achieving target

Communities Directorate

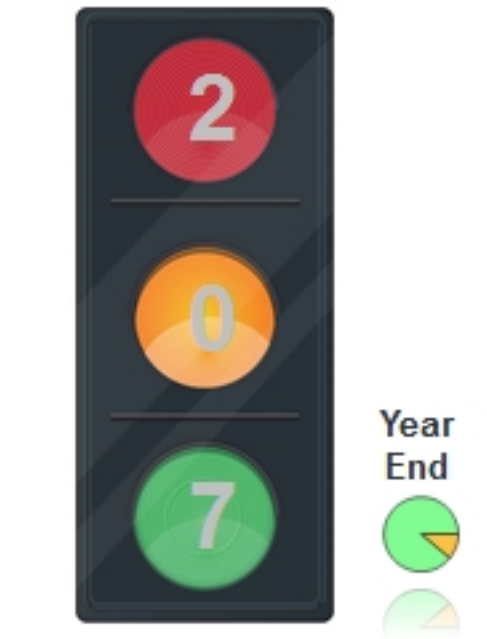
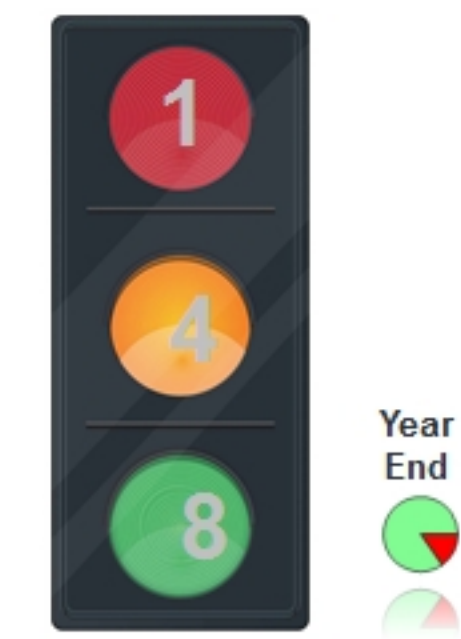
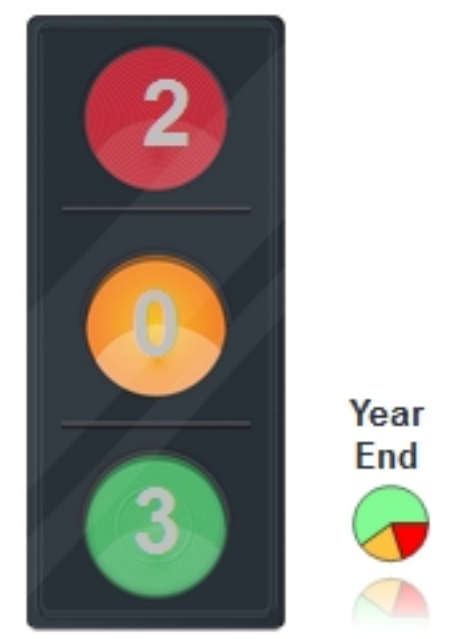
Governance Directorate

Neighbourhoods Directorate

Resources Directorate



Predicted Level of Year End Target Achievement (All KPIs)



Headlines - Reflecting on our performance

Headlines - Reflecting on our performance

Q3 (2016/17) There are 37 KPIs for this year.

26 (70%) achieved target and 11 (30%) missed target, however of those missing target 4 (36%) performed within their amber tolerance. This is a reduction from Q2 when 28 (76%) achieved target.

31 (84%) are currently anticipated will achieve target at the end of the year, with a further 3 (8%) uncertain if they will reach target at the end of the year. This is the same as Q2 except for 1 fewer indicator is anticipated will achieve target at the end of the year compared with Q2.

Quarterly Indicators		Quarter 1			Quarter 2			Quarter 3		Quarter 4		Is year-end target likely to be achieved?		
		Tgt	Actual		Tgt	Actual		Tgt	Actual		Tgt	Actual		
<b>Communities Quarterly KPIs</b>														
COM001	(Housing rent) (%)	99.00%	101.59%	■	99.00%	100.13%	■	99.00%	100.07%	■	99.00%			Yes
COM002	(Void re-lets) (days)	37	49	■	37	42	■	37	39	■	37			Yes
COM003	(Tenant satisfaction) (%)	98.00%	100.00%	■	98.00%	100.00%	■	98.00%	99.65%	■	98.00%			Yes
COM004	(Temp. accommodation) (no.)	140	103	■	140	111	■	140	101	■	140			Yes
COM005	(Non-decent homes) (%)	0.0%	0.0%	■	0.0%	0.0%	■	0.0%	0.0%	■	0.0%			Yes
COM006	(Modern Homes Std) (%)	825	587	■	1,650	1,414	■	2,475	2,116	■	3,300			Uncertain
COM007	(Emergency repairs) (%)	99.00%	99.15%	■	99.00%	99.14%	■	99.00%	99.19%	■	99.00%			Yes
COM008	(Responsive repairs) (days)	7.00	4.87	■	7.00	5.15	■	7.00	5.58	■	7.00			Yes
COM009	(Emergency repairs) (%)	98.00%	98.00%	■	98.00%	98.00%	■	98.00%	98.00%	■	98.00%			Yes
COM010	(Calls to Careline) (%)	97.50%	99.90%	■	97.50%	99.80%	■	97.50%	99.80%	■	97.50%			Yes
<b>Governance Quarterly KPIs</b>														
GOV004	(Major planning) (%)	90.00%	92.86%	■	90.00%	95.65%	■	90.00%	93.33%	■	90.00%			Yes
GOV005	(Minor planning) (%)	90.00%	88.68%	■	90.00%	90.71%	■	90.00%	92.11%	■	90.00%			Yes
GOV006	(Other planning) (%)	94.00%	94.69%	■	94.00%	95.85%	■	94.00%	95.43%	■	94.00%			Yes
GOV007	(Appeals - officers) (%)	20.0%	21.4%	■	20.0%	25.0%	■	20.0%	27.1%	■	20.0%			Uncertain
GOV008	(Appeals - members) (%)	50.0%	57.1%	■	50.0%	62.5%	■	50.0%	70.0%	■	50.0%			No
<b>Neighbourhoods Quarterly KPIs</b>														
NEI001	(Non-recycled waste) (kg)	95	101	■	196	195	■	296	306	■	400			No
NEI002	(Litter) (%)	8%	8%	■	8%	8%	■	8%	9%	■	8%			Yes
NEI004	(Detritus) (%)	10%	10%	■	10%	9%	■	10%	9%	■	10%			Yes
NEI005	(Neighbourhood issues) (%)	95.50%	98.82%	■	95.50%	99.16%	■	95.50%	98.80%	■	95.50%			Yes
NEI006	(Fly-tip investigations) (%)	92.00%	99.39%	■	92.00%	99.01%	■	92.00%	98.63%	■	92.00%			Yes
NEI007	(Fly-tip: contract) (%)	90.00%	93.72%	■	90.00%	91.74%	■	90.00%	91.51%	■	90.00%			Yes
NEI008	(Fly-tip: non-contract) (%)	90.00%	94.67%	■	90.00%	95.22%	■	90.00%	94.24%	■	90.00%			Yes
NEI009	(Noise investigations) (%)	90.00%	88.76%	■	90.00%	90.95%	■	90.00%	92.38%	■	90.00%			Yes
NEI010	(Increase in homes) (no.)	41	13	■	69	57	■	87	85	■	230			Yes
NEI011	(Commercial rent arrears) (%)	2.5%	2.0%	■	2.5%	2.0%	■	2.5%	1.8%	■	2.5%			Yes
NEI012	(Commercial premises let) (%)	98.00%	98.89%	■	98.00%	98.15%	■	98.00%	97.42%	■	98.00%			Yes
NEI013	(Waste recycled) (%)	30.00%	22.00%	■	30.00%	26.09%	■	30.00%	25.00%	■	30.00%			No
NEI014	(Waste composted) (%)	30.00%	37.64%	■	30.00%	35.00%	■	30.00%	33.15%	■	30.00%			Yes
<b>Resources Quarterly KPIs</b>														
RES001	(Sickness absence) (days)	1.90	1.50	■	3.64	2.98	■	5.24	5.03	■	7.50			Uncertain
RES002	(Invoice payments) (%)	97%	98%	■	97%	97%	■	97%	97%	■	97%			Yes
RES003	(Council Tax collection) (%)	27.27%	27.61%	■	51.99%	52.65%	■	77.09%	78.00%	■	97.00%			Yes
RES004	(NNDR Collection) (%)	28.48%	28.83%	■	53.46%	53.25%	■	78.67%	78.02%	■	97.70%			Yes
RES005	(New benefit claims) (days)	22.00	21.28	■	22.00	22.72	■	22.00	21.98	■	22.00			Yes
RES006	(Benefits changes) (days)	6.00	6.91	■	6.00	7.62	■	6.00	7.69	■	6.00			Yes
RES009	(Website Availability) (%)	99.60%	99.82%	■	99.60%	99.89%	■	99.60%	99.73%	■	99.60%			Yes
RES010	(Website Broken Links) (%)	95.00%	99.89%	■	95.00%	100.00%	■	95.00%	100.00%	■	95.00%			Yes
RES011	(Website Navigation) (%)	79.90%	80.51%	■	79.90%	80.42%	■	79.90%	80.34%	■	79.90%			Yes

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
Communities Directorate						
COM001	Rent collected from current and former tenants as a % of rent due (excluding arrears brought forward)	99.00%	100.07%	99.00%	No	The current and proposed targets are challenging, especially in the light of the forthcoming introduction of universal credit and direct payments to claimants.
				Amber tolerance = 0.50% point below target		
COM002	On average, how many days did it take us to re-let a Council property?	Days 37	39	37	No	As can be seen, the Q3 target was not met (nor was Q1 or Q2). It is felt inappropriate to lower weaken the target for this important area; therefore, it is proposed to keep the target the same and seek to meet it next year.
				Amber tolerance = 1 day above target		
COM003	How satisfied were our tenants with the standard of the repairs service they received?	98.00%	99.65%	98.00%	No	The current target is already very high and well into the Top Quartile in the country. In view of the exceptional, ongoing levels of satisfaction, it is not considered necessary or appropriate to reduce the Council's aspirations for performance against this indicator
				No amber tolerance appropriate		

KPI Ref	Description	Target	Q3 2016/17	Proposed	Target changed	Comments/justification for proposed target for 2017/18 and reasons for targeted
COM004	How many households were housed in temporary accommodation?	Households 140	101	130	Yes	The target was increased up to 140 households for the current year, in view of the increasing homelessness. However, it is hoped that, as a result of measures put in place to try to mitigate the effects of homelessness, that this may stem the increase. This lower target threshold is therefore proposed to strive for.
				Amber tolerance = 7 above target		
COM005	What percentage of our council homes were not in a decent condition?	0.0%	0.0%	0.0%	No	It is not possible to make the target any more challenging. Although the Council achieved its target of having no non-decent homes a number of years ago, with the loss in rental income to the HRA (due to the 1% rent reductions), one of the options to be considered as part of the forthcoming Stage 1 HRA Financial Options Review is to reduce investment in the housing stock and no longer have a Modern Home Standard. It is therefore considered essential to ensure that, at the very least, properties that may fail the standard in the near future are identified, and appropriate programmes of work continue to be put into place, to ensure that the Council continues to have no non-decent homes at any time.
				No amber tolerance appropriate		

KPI Ref	Description	Target	Q3 2016/17	Proposed	Target changed	Comments/justification for proposed target for 2017/18 and reasons for targeted
COM006	How many of the key building components required to achieve the Modern Homes Standard were renewed?	Number 3300	2116	See comment	No	<p><b>Action to be deleted:</b></p> <p>Following the Stage 1 HRA Financial Options Review, the Finance and Performance Management Cabinet Committee agreed to recommend to the Cabinet that the Council should no longer pursue its Modern Homes Standard for our existing properties, but should revert to the Government's Decent Home Standard.</p>
				Amber tolerance = 2% below target		
COM007	What percentage of all emergency repairs (including out of hours emergencies), are attended to within 4 working hours?	99.00%	99.19%	99.00%	No	<p>In view of the existing challenging target and the fact that it reflects the KPI within the Repairs Management Contract with Mears, it is proposed that the current target for this KPI should continue for 2017/18.</p>
				Amber tolerance = 1.00% below target		

KPI Ref	Description	Target	Q3 2016/17	Proposed	Target changed	Comments/justification for proposed target for 2017/18 and reasons for targeted
COM008	What is the average overall time to complete all responsive repairs, from the time the request is made to the time the job is completed?	Working days 7.00	5.58	7.00	No	In view of the existing challenging target, and the fact that it reflects the KPI within the Repairs Management Contract with Mears, it is suggested that the current target for this KPI should continue for 2017/18.
				Amber tolerance = 1.00 working day above target		
COM009	What percentage of appointments for repairs are both made and kept?	98.00%	98.00%	98.00%	No	In view of the existing challenging target and the fact that it reflects the KPI within the Repairs Management Contract with Mears, it is suggested that the current target for this KPI should continue for 2017/18.
				Amber tolerance = 1.00% below target		
COM010	What percentage of calls are answered by the Council's Careline Service within 60 seconds?	97.50%	99.80%	97.50%	No	The indicator is a national requirement and target set by the Telecare Services Association (TSA) for all control centres that meet the TSA's stringent accreditation requirements. The target is very challenging, within the top quartile, and it is proposed that it continues for 2017/18.
				Amber tolerance = 1.00% below target		

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
Governance Directorate						
GOV004	What percentage of major planning applications were processed within 13 weeks or extension of time date?	90.00%	93.33%	90.00%	no	Target is sufficiently testing and increased workload anticipated
				Amber tolerance = 2.00% below target		
GOV005	What percentage of minor planning applications were processed within 8 weeks or extension of time date?	90.00%	92.11%	90.00%	no	Target is sufficiently testing and increased workload anticipated
				Amber tolerance = 2.00% below target		
GOV006	What percentage of other planning applications were processed within 8 weeks or extension of time date?	94.00%	95.43%	94.00%	no	Target is sufficiently testing and increased workload anticipated
				Amber tolerance = 2% below target		
GOV007	What percentage of planning applications recommended for refusal were overturned and granted permission following an appeal?	20.0%	27.1%	20.0%	no	Although challenging it is appropriate for the professional team to be set high standards
				Amber tolerance = 2.0% above target		

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
GOV008	What percentage of planning applications, refused by members against a recommendation, were granted permission following an appeal?	50.0%	70.0%	50.0%	no	This is a reasonable target for Members applying the appropriate tests
				Amber tolerance = 5.0% above target		

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
Neighbourhoods Directorate						
NEI001	How much non-recycled waste was collected for every household in the district?	kg 400	306	400	No	Although new recycling initiatives planned, full effect will not be seen until 2018/19.
				Amber tolerance = 5% below target		
NEI003	What percentage of our district had unacceptable levels of litter?	8%	9%	8%	No	Biffa have made improvements in the management of street cleansing operations. 8% should be achievable.
				Amber tolerance = 1% above target		



KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
NEI004	What percentage of our district had unacceptable levels of detritus (dust, mud, stones, rotted leaves, glass, plastic etc.)?	10%	9%	10%	No	Maintain target for another year.
				Amber tolerance = 1% above target		
NEI005	What percentage of the issues and complaints received by the Environment & Neighbourhoods Team received an initial response within 3 days?	95.50%	98.80%	95.80%	No	Maintain as stretch target
				Amber tolerance = 1.00% below target		
NEI006	What percentage of the recorded incidences of fly-tipping are investigated within 3 working days of the fly-tip being recorded where the fly-tip is on public or privately owned land?	92.00%	98.63%	90.00%	Yes	Fly-tipping on increase due to changes of County Civic Amenity Sites.
				Amber tolerance = 1.00% below target		

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
NEI007	What percentage of the recorded incidences of fly-tipping (contract cleared) are removed within 5 working days of being recorded?	90.00%	91.51%	90.00%	No	Maintain as stretch target
				Amber tolerance = 1.00% below target		
NEI008	What percentage of the recorded incidences of fly-tipping (variation order / non-contract) are removed within 10 working days of being recorded?	90.00%	94.24%	90.00%	No	Maintain as stretch target
				Amber tolerance = 1.00% below target		
NEI009	What percentage of out of hours noise complaints that are passed through to the duty noise officer are responded to within 15 minutes?	90.00%	92.38%	90.00%	No	Maintain as current target
				Amber tolerance = 1.00% below target		

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
NEI010	What was the net increase or decrease in the number of homes in the district?	230	85	315	Yes	Some new incentives are contained within the housing white paper to encourage developers to bring forward sites and therefore may need to be reviewed the following year. However it is proposed to set annual targets in line with the Local Plan residential trajectory.
				Amber tolerance = within 5% below target		
NEI011	What percentage of the rent we were due to be paid for our commercial premises was not paid?	2.5%	1.8%	2.0%	Yes	Slight increase in target to reflect improved performance.
				Amber tolerance = 0.5% above target		
NEI012	What percentage of our commercial premises was let to tenants?	98.00%	97.42%	98.00%	No	Maintain current target
				Amber tolerance = 1.00% below target		
NEI013	What percentage of all household waste was sent to be recycled or reuse?	30.00%	25.00%	26.00%	Yes	Newly introduced indicator for 16/17 which has been kept under review. Change proposed to reflect this year's collection figures.
				Amber tolerance = 2% below target		
NEI014	What percentage of all household waste was sent to be composted or anaerobic digestion?	30.00%	33.15%	33.00%	Yes	As above
				Amber tolerance = 2% below target		

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
Resources Directorate						
RES001	How many working days did we lose due to sickness absence?	7.50 days	5.03	7.25	Yes	As there has been an improvement perhaps we should consider a reduced target for 2017/18
				Amber tolerance = 7.51 days - 8.0 days		
RES002	What percentage of the invoices we received was paid within 30 days?	97.0%	97.0%	97%	No	Keep the target the same, 98% is unlikely to be achievable until e-invoicing is fully operational including those orders processed through OHMS.
				Amber tolerance = 1% below target		
RES003	What percentage of the district's annual Council Tax was collected?	97.10%	78.00%	97.80%	Yes	From collections in 2016/17 so far it is reasonable to increase this target.
				Amber tolerance = 0.50% below target		
RES004	What percentage of the district's annual business rates was collected?	97.80%	78.02%	97.80%	No	97.8% has proved a challenging target for 2016/17 and difficulties are anticipated in 2017/18 with the new rating list.
				Amber tolerance = 0.50% below target		

KPI Ref	Description	Target 2016/17	Q3 2016/17 Performance	Proposed Target 2017/18	Target changed Yes/No	Comments/justification for proposed target for 2017/18 and reasons for targeted reductions in performance
RES005	On average, how many days did it take us to process new benefit claims?	22.00 days	21.98	21.00 days	Yes	New target set which is challenging but achievable
				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	7.69	6.00 days	No	No change proposed as challenging target already in place. However, target needs to be profiled as 9 days for quarters 1,2 and 3, reducing to 6 days in quarter 4.
				Amber tolerance = 1.00 days above target		
RES009	Are customer needs being met by the Corporate Website being available?	99.60%	99.73%	see comment		<b>The Resources Select Committee have suggested that this indicator should be deleted</b>
				Amber tolerance = 0.60% below target		
RES010	Are customer needs being met by the Corporate Website not having broken links?	95.00%	100.00%	see comment		<b>The Resources Select Committee have suggested that this indicator should be deleted</b>
				Amber tolerance = 1.00% below target		
RES011	Are customer needs being met by the main Corporate Website having effective navigation?	79.90%	80.34%	see comment		<b>The Resources Select Committee have suggested that this indicator should be deleted</b>
				Amber tolerance = 0.90% below target		



**DECEMBER 2016 - SALARIES**

<u>DIRECTORATE</u>	<u>2016/17</u>			<u>2015/16</u>		
	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>	<u>EXPENDITURE</u>	<u>BUDGET</u>	<u>VARIATION</u>
	<u>TO 31/12/16</u>	<u>PROVISION</u>	<u>FROM BUDGET</u>	<u>TO 31/12/15</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	232	232	0.0	149	149	0.0
RESOURCES *	4,132	4,191	-1.4	4,074	4,119	-1.1
GOVERNANCE	2,741	2,765	-0.9	2,481	2,533	-2.1
NEIGHBOURHOODS *	3,241	3,305	-1.9	3,230	3,293	-1.9
COMMUNITIES *	5,611	5,612	0.0	5,363	5,487	-2.3
<b>TOTAL</b>	<b>15,957</b>	<b>16,105</b>	<b>-0.9</b>	<b>15,297</b>	<b>15,581</b>	<b>-1.8</b>

\* Agency costs are included in the salaries expenditure.

	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Museum	108	89	88	73	-1	-1	No major variances in 2016/17. Costs in 2015/16 were lower as the new extension did not open until quarter 4.
Bed & Breakfast Accommodation	271	203	252	161	49	24	There was an increase in placements during 2015/16, this has continued throughout 2016/17. The budget was revised upwards however expenditure at Month 9 is close to the full year budget and looks likely to exceed this.
Grants to Voluntary Groups	88	32	31	70	-1	-3	No major variances in 2016/17, however there has been a delay in the process this year which is why spending is behind the levels seen in the prior year. Outstanding grants are due to be paid in Month 12.
Voluntary Sector Support	170	170	170	170	0	0	No variances.
<u>Major income items:</u>							
Bed & Breakfast Accommodation	280	210	252	152	42	20	There was an increase in placements during 2015/16, this has continued throughout 2016/17. The budget was revised upwards however expenditure at Month 9 is close to the full year budget and looks likely to exceed this.
	917	704	793	626			



	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
Major income items							
Development Control	1,104	823	882	749	59	7	The income received has exceeded both the budget to date and the previous year's actual. This trend is expected to continue and the full year budget may well be exceeded.  The £59,000 additional income received in comparison to the budget at the end of quarter three includes several high value applications for development purposes.
Building Control Fee Earning	490	371	365	361	-6	-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. Income was a little down at quarter 3 but not significantly.
Local Land Charges	164	125	126	143	1	1	2016/17 has seen a further reduction in the level of fee income compared to the previous year which has been reflected in the current year budgets. The actual at quarter three is on target with the budget.
	1,758	1,320	1,373	1,253			

	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Refuse Collection	1,394	831	800	728	-31	-4	The expenditure variance is due to an underspend on new equipment.
Street Cleansing	1,356	811	795	724	-16	-2	The underspend relates to the cleansing contract, payments are made monthly, however, the annual uplift from November has yet to be processed.
Recycling	2,994	1,666	1,543	1,396	-123	-7	The underspend relates to the cleansing contract, payments are made monthly, however, the payments are uplifted in November and yet to be paid. The DDF item for equipment for Dclg Recycling reward scheme is underspent, these monies will be carry forward if not spent in the last quarter.
Highways General Fund	102	39	27	12	-12	-31	The expenditure variances relate to Litter Bins, Street naming and Bus shelters. Some spending will occur in during quarter 4 but an underspend is anticipated here of around £5,000.
Off Street Parking	538	433	388	403	-45	-10	Surface Maintenance is the reason for the underspend at quarter three, there is repair work required so the budget should be fully spent by year end.
North Weald Centre	209	161	142	160	-19	-12	The budgets for General, Fixed plant and Runway Maintenance are underspent at quarter three. There tends to be more maintenance required in quarter 4 when the weather improves after the winter. That being said it has been agreed to use some underspends to finance a new fire truck.
Land Drainage & Contaminated Land	141	59	44	48	-15	-25	The expenditure underspend relates to other maintenance on Contaminated land, and flood defences/storage on Land Drainage.
	6,734	4,000	3,739	3,471			

	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
Planning Policy/Local Plan	1,180	885	777	170	-108	-12	The Local Plan budget has been profiled 12 equal instalments, however there has been less expenditure in the first nine months than expected.
<u>Contract cost Monitoring</u>							
Leisure Facilities:-							
Loughton Leisure Centre	-192	-128	-135	-111	-7	5	The variance is in respect of an outstanding sundry creditor from 15/16, the invoice for this } has been paid in month 10.
Epping Sports Centre	219	213	212	184	-1	0	} No major variances.
Waltham Abbey Pool	527	351	350	303	-1	0	}
Ongar Sports Centre	303	202	201	174	-1	0	}
	857	638	628	550			

## DIRECTORATE FINANCIAL MONITORING - NEIGHBOURHOODS (3)

	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major income items:</u>							
Refuse Collection	75	56	53	47	-3	-5	No major variances
Recycling	1,439	739	646	690	-93	-13	The credits profile is set two months in arrears, however the October credits were received in month 10. The actual amount collected is down on expectations.
Off Street Parking	1,386	938	924	914	-14	-1	Pay and display income was £63,000 less than expected, the monthly income due for months 8 and 9 were not received until February. However, season tickets and penalty notices income are up by £49,000.
North Weald Centre	812	686	695	591	9	1	The income is higher than the budget profile at quarter three with regards to rents.
Hackney Carriages	181	136	156	153	20	15	The income for private hire has exceeded the budget at quarter three. Some licences are now issued for three and five years rather than one about £27,000 of this income will relate to future years.
Licensing & Registrations	111	84	89	93	5	6	The income is higher than the budget profile at quarter three with regards to premises liquor licences.
Fleet Operations MOTs	199	149	140	170	-9	-6	MOT income is down by £9,000, there has been a slight improvement recently but reaching the target now looks unlikely.
	4,203	2,788	2,703	2,658			

	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major income items:</u>							
Industrial Estates	1,169	1,127	1,196	1105	69	6	Rents from the Industrial units are above expectations, mainly due to rent reviews at Brooker Road.
Business Premises - Shops	2,169	2,169	2,169	2,143	0	0	This income relates to non housing assets which include shops, doctors surgeries, a petrol station and public houses. There are no major variances.
Land & Property	322	305	305	59	0	0	Commission is received from the David Lloyd Centre based on their turnover. Income relating to 2016/17 will be accounted for at the end of the year, but received during the initial part of 2017/18. Income received from land and property up to and including the third quarter is on target with the profiled budget.
	3,660	3,601	3,670	3,307			

	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Building Maintenance	517	229	232	211	3	1	Building Maintenance works are difficult to forecast but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. The expenditure to date is in line with the profiled budget.
Information & Communication Technology	991	885	883	842	-2	0	The full year budget now includes the cost of the councils Multi Function Devices along with the ICT, 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.
Benefit relating to Bed & Breakfast cases (Non-HRA Rent Rebates)	110	83	98	72	15	18	The cost to the General Fund in 2016/17 of placements in bed & breakfast accommodation has been increased to £110,000 (from £82,000). This does now look like being exceeded.
Bank & Audit Charges	122	49	49	71	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 not having been invoiced for fees in respect of the audit of the housing benefit subsidy claim.
	1,740	1,246	1,262	1,196			
<u>Major income items:</u>							
Investment Income	375	281	279	225	-2	-1	We have received a further interest receipt from the B3 Living loans made some years ago as the resident has purchased further equity in their property. This has been offset by the BIFFA loan being in arrears by a further month than expected.
	375	281	279	225			

	16/17 Full Year Budget £'000	Third Quarter			16/17 Variance Budget v Actual		Comments
		16/17 Budget £'000	16/17 Actual £'000	15/16 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	263	202	192	163	-10	-5	No major variances in year. In the prior year there were some underspends on rent accounting and other communal services
Housing Repairs	5,500	4,341	3,831	4,268	-510	-12	The underspend mainly relates to the responsive repairs on the HRA. The budget is profiled evenly across the year, as it is unknown when responsive repairs will arise. Headings such as responsive repairs and gas servicing are showing an underspend and a saving of around £300,000 looks likely.
Special Services	1,047	681	670	523	-11	-2	The main areas showing an underspend are various utility costs and grounds maintenance.
	6,810	5,224	4,693	4,954			
<u>Major income items:</u>							
Non-Dwelling Rents	878	650	650	617	0	0	No variance.
Gross Dwelling Rent	31,788	24,455	24,456	24,843	1	0	No major variances in the current year. Rents have reduced by 1% in 2016/17
	32,666	25,105	25,106	25,460			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Museum Schemes	32	24	-13	-37	20	The uplifted fees agreed for the architects, which were reduced from the original sum quoted, have been paid for additional work undertaken. The 2.5 % retention will be paid before the end of the financial year as a satisfactory 12 months defects inspection has now been completed for work undertaken by the main contractors. Improvements to the gallery's sliding doors, electrical systems, and fire alarm systems was agreed at Cabinet on 1st December 2016.
CCTV Systems	55	41	44	3	3	The budget for Longcroft Rise and Upshire shops has been reallocated after the decision to decommission the systems was made in December and the systems have been removed. As part of the Capital Review the Council have also procured two new re-deployable cameras, whilst the remaining capital allocation in 2016/17 is expected to be spent on a new automatic number plate reader system to be installed in Limes Farm by the end of march.
Car Park CCTV	32	24	24	0	0	The car park CCTV installation programme has been working in conjunction with the "Invest to Save" LED lighting scheme (see Annex 8). Works have progressed well with the car park CCTV schemes, with two of the three schemes proposed in 2016/17 (Bansons Hill and The Pleasance) both completed. Works at Trapps Hill car park have been delayed on two separate occasions due to lighting and power issues on site, although it is still expected to be completed by the year end. An additional site at Lower Queens Road car park has also been added to the planned programme in 2017/18.
Housing Estate Parking	321	8	8	0	0	The off-street parking schemes undertaken on council owned land is jointly funded between the HRA and General Fund. The General Fund proportion of costs will be allocated at year-end. Due to the complications outlined in Annex 10 expenditure is anticipated to be very low and any underspend will be carried forward to 2017/18.
<b>Total</b>	<b>440</b>	<b>97</b>	<b>63</b>			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Epping Forest Shopping Park	11,086	5,957	3,021	-2,936	-49	Please see the major schemes section.
St Johns Road Development	7,096	7,096	6,755	-341	-5	This Council completed the purchase of Essex County Council's interest in the land at St John's Road, Epping, in December 2016. The underspend shown in the table relates to the Stamp Duty, which was paid in January 2017. Preparations are now in hand regarding the subsequent disposal to the preferred developer.
Oakwood Hill Depot	703	703	850	147	21	The new depot at Oakwood Hill has been operational from September 2016. Whilst practical completion has been achieved there has been an ongoing issue in relation to off-site monitoring of the alarm system. A new alarm system has been installed at the depot however, until this system can be fully tested, additional costs for a physical out-of-hours security presence are being incurred. Recovery options from the contractor are being explored. A report will be submitted to Cabinet once all costs have been finalised and retrospective approval will be sought for the overspend. A review is also being undertaken to maximise the occupancy of the building as part of the Council's wider review of accommodation.
N W Airfield Vehicle Compound	12	0	0	0	0	The invest to save scheme is currently awaiting planning permission before works on the compound extension can begin. These works are not expected to start in the current financial year
Car Park Schemes	120	15	3	-12	-80	The installation of the new pay and displays machines in the Council's car parks has now been completed and, as anticipated, the scheme came under budget. The LED lighting and associated electrical works are now being carried out in Traps Hill Car Park Loughton and this is expected to be completed in the current financial year. The subsequent car parks will be improved in 2017/18 in line with the programme schedule. An additional £75,000 in the budget has been allocated from the Invest to Save Fund, for the purchase and set up costs in respect of the ICT infrastructure needed for the delivery of the off-street enforcement operations.
Other Schemes	104	38	38	0	0	The £93,000 Grounds Maintenance Budget includes a supplementary sum of £25,000 from a Section 106 contribution. This money has been used to procure additional machinery required to maintain adopted open space land at Tower Road, Epping. A further mower has been procured to replace an older unit with the remaining capital allocated to procure a replacement ride-on mower also nearing the end of its useful life. Finally, there is an allocation of £11,000 for drainage works at the former landfill site at Bobbingworth Tip; this sum has been fully spent.
<b>Total</b>	<b>19,121</b>	<b>13,809</b>	<b>10,667</b>			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Planned Maintenance	507	380	168	-212	-56	Many of the schemes in the planned maintenance programme relating to the civic offices have been delayed awaiting the outcome of the Accomodation Review. However a new electrical control panel has been installed as has a main mechanical control panel which controls the heating system. The lead valley gutter around the perimeter of the Council Chamber roof has been relined with a coating system whilst the fire alarm system upgrade works and the installation of the LED lighting have been continuing in quarter 3 and are expected to be completed by the end of the financial year. The resurfacing of the rear access yard at Limes Avenue shops in Chigwell has also been completed.
ICT Schemes	277	208	237	29	14	The planned ICT schemes are currently progressing well and are on target to be completed by the end of the financial year. Hardware for the BACS electronic banking system, which enables the Council to use the banks direct debit payment system, has been installed and the scheme to purchase units to replace obsolete thin client devices has also been completed. The licenses for GOOD access have been procured, whilst the customer service prototype is expected to be completed by the end of the financial year. There are slippages into 2017/18 for the gazetteer integration and the planning system integration.
Cash Kiosks	30	30	38	8	27	The project for the Epping Hall Kiosks has been completed. However, the kiosks required additional software to be developed to create seamless integration for a larger number of payment funds into the general ledger compared to the Waltham Abbey kiosk. This caused the increased expenditure above the original budget. The cash kiosk stolen from Waltham Abbey has been replaced after the insurance money was received.
HR/Payroll System	60	45	22	-23	-51	Payroll was transferred from Sage to iTrent and parallel running commenced in October and November to test the system. This was successful and went live in December, consequently Sage is no longer being used. Braintree, Colchester and Epping are now working together to scope and build the Employee/Manager Self Serve, health and safety, recruitment and learning elements of the system. A planned roll out of the system is scheduled to commence by June 2017. In addition to the capital allowance of £60,000, £20,000 has been allocated to the Payroll/HR system's revenue budgets.
Customer Service Project	15	5	4	-1	-20	Consultant engineers and surveyors are currently undertaking cost and feasibility investigations before the project can commence.
<b>Total</b>	<b>889</b>	<b>668</b>	<b>469</b>			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
New Housing Builds Phase 1, 2 & 3	6,309	3,053	1,635	-1,418	-46	For Phases 1 & 2, please see comments on the major schemes schedule. With regards to Phase 3, tenders for eight sites were approved by the Council Housebuilding Cabinet Committee in December 2016, which will deliver 34 new homes.
Phase 4, 5 & 6 and Conversion Works	0	0	207	207	0	There is a moratorium in place on the housebuilding programme, which restricts Phases 4, 5 and 6 to the point that planning approvals are sought. Planning permission has been obtained for all sites making up Phase 4 with the exception of Pyrles Lane Sites A and B. The Council Housebuilding Cabinet Committee have agreed to sell these sites on the open market with any income being used to fund the house-building programme. The conversions at Marden Close and Faversham Hall were completed in 2015/16, and a retention of £22,000 is still outstanding.
Housebuilding Salaries	97	0	0	0	0	Capital salary costs will be allocated to individual housebuilding schemes at the end of the financial year.
Barnfields S106 Development	821	616	664	48	8	The S106 Affordable homes at Barnfield, Roydon are under construction, and Linden Homes are making good progress. The works are on target for completion in October 2017.
Off Street Property Purchases	2,104	2,104	2,104	0	0	The Council has completed the purchase of six open market street properties in Waltham Abbey. All six properties have been let.
North Weald Depot	70	53	11	-42	-79	The Cabinet is to consider its Accommodation Strategy in March 2017. One aspect of that is to construct the Housing Repairs HUB with additional office accommodation to free up space at the Civic Offices. In the mean time, in order to facilitate the St Johns Road Re-development, alternative temporary accommodation is being considered for the Housing Repairs Service at the Control Tower at North Weald Airfield until such time as the Accommodation Strategy is agreed and any resultant facility is constructed.
Heating and Rewire Schemes	3,635	2,726	1,972	-754	-28	Gas heating is currently showing the largest underspend of the category despite the completion of two large gas boiler replacement schemes at Hyde Mead House and Norway House. The installation of MVHR heating systems is a demand-led programme and due to the mild winter weather, properties are not suffering from damp and condensation issues. The electric heating programme is nearing completion and is ahead of schedule with extra installations being completed when properties become available to maximise the external funding. The replacement of the landlords' communal electrical supplies on a large scheme in Birch View is due to re-commence in the last quarter; however an underspend overall is still expected. The communal water-tank replacement programme still faces major delays due to access problems at Hillyfields; these problems are likely to be unresolved and consequently the budget is expected to be heavily underspent.
Windows, Doors and Roofing	2,445	1,834	1,223	-611	-33	The installation programme of 30-minute front entrance fire doors in communal areas and PVCu double-glazed windows are being installed together to accelerate both programmes although the budget is still showing an underspend. The flat roofing programme is nearing completion and currently shows a slight overspend whilst the programme for tiled roofing is underspent at present but the programme has been accelerated which will reduce this variance at the end of the financial year.
<b>Total c/f</b>	<b>15,481</b>	<b>10,386</b>	<b>7,816</b>			

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

Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
<b>Total b/f</b>	<b>15,481</b>	<b>10,386</b>	<b>7,816</b>			
Other Planned Maintenance	127	95	63	-32	-34	This category includes Norway House improvements, door entry system installations and energy efficiency works. There has been no significant change in progress for this category since the quarter two report was published.
Kitchen and Bathrooms	3,048	2,286	1,914	-372	-16	The planned programmes for the kitchen and bathroom replacements remain behind schedule due to restricted access. Expenditure on kitchen replacements continue to show an underspend and it is anticipated that the current allocation for kitchen replacements will not be fully spent by the end of the financial year. The acceleration of the bathroom replacement programme during quarter 3 has reduced the variance within the bathroom replacement budget and plans are in place to continue with the accelerated programme.
Garages and Environment Works	658	486	458	-28	-6	The construction of the 8 off-street parking areas in Torrington Drive has experienced complications throughout. Delays in the consultation exercise, the arboriculture health and safety investigation and an ongoing dispute with Essex Highways have resulted in delays on site and a large underspend. This scheme is due to re-commence with the completion of the hard landscaping works expected late in quarter four. Paley Gardens is due to commence before 31st march. The works on the gas pipe-work replacement programme were completed ahead of the schedule during the last quarter. The installation of housing CCTV systems has progressed well in quarter 3 with Pelly Court finished ahead of schedule and works on Limes Farm Yellow Block underway.
Structural Schemes	700	525	325	-200	-38	The planned programme for miscellaneous structural works currently shows an underspend despite a number of structural schemes being completed. A number of other structural projects on the programme are nearing completion which will reduce this variance.
Disabled Adaptations	430	323	299	-24	-7	There has been a continued increase in the waiting list for disabled adaptations with a large number of disabled adaptations being put on hold due to limited resources for the programme. It is anticipated that the budget will be fully spent.
Other Repairs and Maintenance	223	167	171	4	2	This category is currently on schedule, however with the ad-hoc nature of the schemes involved it is difficult to predict whether the budget will be fully spent by the end of the financial year.
Service Enhancements	92	69	38	-31	-45	There has been no progression with the Oakwood Hill enhancement programme or mobility scooter stores from the position reported in the last quarter. Regarding the replacement of front doors programme, about 425 consultation letters have been sent to leaseholders and about 280 front doors have either been installed or committed orders raised.
Replacement Housing Vehicles	108	0	0	0	0	The order for seven DLO vehicles has been placed with the Ford Motor Company with delivery expected by the end of the financial year.
Work On Hra Leasehold Prop (Cr)	-300	0	0	0	0	This credit budget allows for work undertaken within the above categories on sold council flats. Once identified, an adjustment will be made at the end of the year.
<b>Total</b>	<b>20,567</b>	<b>14,337</b>	<b>11,084</b>			

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

REFCuS Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Parking & Traffic Schemes	60	45	3	-42	-93	Work on the Loughton Broadway parking review has started and temporary no-waiting restrictions have been put in place in disabled bays. The designs and maps have already been completed by the North Essex Parking Partnership. These should be advertised shortly and implemented in the new financial year.
Disabled Facilities Grants	630	473	463	-10	-2	Although expenditure on Disabled Facility Grants is slightly below target as at 31 December 2016, is anticipated that the full year outturn may reach £650,000. Any additional expenditure over and above the budget will be requested to be brought forward from 2017/18. This expenditure is fully supported from the Better Care Fund.
Hra Leasehold Prop (Dr)	300	0	0	0	0	This debit budget allows for work undertaken within the above categories on sold council flats. Once identified, an adjustment will be made at the end of the year.
<b>Total</b>	<b>990</b>	<b>518</b>	<b>466</b>			

Capital Loan Scheme	16/17	Third Quarter		16/17 Variance		Comments
	Full Year Budget	16/17 Budget	16/17 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Private Sector Housing Loans	80	60	55	-5	-8	It is anticipated that expenditure will be much higher in the last quarter and that the total outturn for the year may reach £100,000. If it is required, additional funding of up to £20,000 will be requested to brought forward from the allocation of £150,000 agreed for 2017/18.
<b>Total</b>	<b>80</b>	<b>60</b>	<b>55</b>			

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

HOUSE BUILDING PHASE 1										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Apr-14	Jun-15	Oct-14	Sep-17	3,948	-429	3,519	2,768	5,919	68%	751

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

On 1 June 2016, with approximately two-thirds of the value of works completed, the Council terminated the contract with Broadway Construction Ltd as they were not regularly and diligently progressing with the works. In September, the Council House-building Cabinet Committee agreed the appointment of P A Finlay & Co Ltd for the recovery phase of the construction works at Phase 1 in the negotiated contract sum of £2,674,335. At the time, an additional contingency sum of £267,400 was included in the budget to allow for any unforeseen works. Having assessed the situation, the final account is anticipated to be £3,122,025; this being 6.8% over the revised budget. This is largely due to remediation works to the contaminated ground, which was not progressed by Broadway Construction as it should have been. To allow for the increase, the anticipated outturn figure for the whole scheme, including the payments made to Broadway Construction Ltd and all fees, has been increased to £5,719,000 which includes a smaller contingency sum of £20,000.

The target completion dates are: Roundhills Site 4 - March 2017; Red Cross Site (houses) - May 2017; Roundhills Site 7 - May 2017; Harveyfields - June 2017; and Red Cross Site (Duplex Units) - September 2017.

HOUSE BUILDING PHASE 2										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast	Updates	Original Approved Budget	Actual Expenditure to Date	Anticipated Outturn	Variance Anticipated Outturn to Approved Budget	Approved Budget Underspent to Date
				£'000 (A)	£'000 (B)	£'000 (C)	£'000 (D)	£'000 (E)	£'000 (E-C)/Cx100	£'000 (C-D)
Feb-16	Mar-18	Mar-16	Apr-18	9,110	1,723	10,833	1,657	11,216	4%	9,176

Phase 2 of the Housebuilding Programme is now progressing, having achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. The Contract was awarded to Mullalley & Co Ltd following a competitive tendering exercise in November 2015 in line with the Council's Contract Standing Orders based on price and quality. Interviews were also undertaken as part of this evaluation, attended by the Housing Portfolio Holder. The contract commenced in March 2016 in the adjusted tender sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks. This compared to a pre-tender estimate of £8,125,000, which was based on rates in the second quarter of 2015, without any inflationary uplift. The lowest tender as originally received was around 16% above the estimated cost and it was the view of Pellings LLP that this was due to a number of inflationary pressures affecting the construction sector.

Mullalley & Co Ltd took possession of the site in March 2016 with work commencing on site in July 2016 having discharged the planning conditions and completing the detailed designs. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. At the time of writing, delays of around 14-weeks are likely as a result of this additional work. The additional costs are estimated to be around £500,000 and the anticipated outturn has been updated to take this into account. However, the total cost of the works are currently being reviewed and estimates will be amended as appropriate. The Council has not yet received a claim for an extension of time, so the contract completion date remains at April 2018.

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

EPPING FOREST SHOPPING PARK										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Original Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated Outturn to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
Mar-16	Oct-16	Sep-16	Jun-17	31,161	0	31,161	15,906	31,161	0%	15,255
<p>The project budget includes the initial budgets approved for all preliminary costs incurred since 2010/11 plus the supplementary capital estimate of £30,636,000 approved by Cabinet in June 2015. It covers the purchase of Polofind's interest in July 2015, the development of the site at Langston Road by the Council as a sole owner, the costs allocated for Section 278 Highways Works as well as consultancy and other professional fees.</p> <p>The contract for the main works was signed on 28 October 2016 at an agreed sum of £10,300,000 and the contractor McLaughlin and Harvey commenced works in September 2016. They have made good progress on the construction of the retail units and are on programme with only minor cost variations, largely arising from tenant requirements. The site was cleared and construction of the retaining wall to the rear of the service yard and piling was completed in December 2016. The steel frame has been erected and the work to clad the roof and walls to achieve a water-tight building will be largely finished by the end of February 2017. The car park has had the base coat laid and all services and utility ducting has been provided. At present there are no reported delays or cost overruns on the main contract and it is anticipated that the building will be ready for tenant fit-out by the end of June 2017.</p> <p>The Section 278 road improvement works still represent the largest risk to the project with delays attributable to changing requirements from the Highways Authority. The main variations to the original design and programme have resulted from the restrictions on working in the carriageway, revised drainage requirements and the re-location of the high pressure gas main. These variations will result in further additional costs, although high level meetings are due to take place to negotiate and mitigate the financial impact of the changes while Highways work is now not envisaged to complete until late August 2017.</p> <p>Anchor tenants are largely secured and it is anticipated the agreements for lease and tenant fit-out specifications on five of the tenants will be completed before the end of March 2017. The units not under offer are continuing to be marketed. The Shopping Park is planned to open in September 2017 and the latest development appraisal still indicates a good return from the Council's investment.</p>										



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



**Epping Forest  
District Council**

**Report reference: FPM-030-2016/17**

**Date of meeting: 30 March 2017**

**Portfolio: Finance**

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

**Officer contact for further information: Edward Higgins – (01992 – 564606)**

**Democratic Services Officer: Rebecca Perrin - (01992 – 564532)**

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

- 1. To agree the updating of the Effectiveness of controls/actions and Required further management action for Risk 2;**
- 2. To agree the updating of the Vulnerability and Key date for Risk 4;**
- 3. To consider whether there are any new risks that are not on the current Corporate Risk Register;**
- 4. To agree that the amended Corporate Risk Register be recommended to Cabinet for approval.**
- 5. To consider and recommend the Risk Management Strategy and Policy Statement to Cabinet for adoption; and**
- 6. To note the Terms of Reference of the Risk Management Group.**

### **Executive Summary:**

The Corporate Risk Register has been considered by both the Risk Management Group on 9 March 2017 and Management Board on 15 March 2017. These reviews identified amendments to the Corporate Risk Register.

### **Reasons for Proposed Decisions:**

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

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

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

### **Report:**

- 1. The Corporate Risk Register was reviewed by the Risk Management Group on 9 March 2017 and Management Board on 15 March 2017. Amendments have been identified and incorporated into the register (Appendix 1).**
- 2. Risk 2 Strategic Sites – The Effectiveness of controls/actions have been amended to advise the updated position for the key sites. Work continues to progress well at the**

Winston Churchill site. A tri-partite agreement with developer and Town Council is progressing for the St. Johns site. Construction at Langston Road continues ahead of schedule, although issues with the highways works are to be reviewed with the Highway Authority. A report on covenants and appropriations has been presented to March Cabinet for Waltham Abbey Leisure Centre.

3. Risk 4 Finance Income – The Vulnerability has been amended to advise there are likely to be further reductions to Government financing despite a four year settlement being in place. The key date has been amended to 20 July for the update of the Medium Term Financial Strategy.
4. This Committee undertakes an annual review of the Risk Management Terms of Reference (appendix 2), Strategy (appendix 3) and Policy Statement (appendix 4). The review last year was on 17 March 2016, with subsequent Cabinet approval on 7 April 2016.
5. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.
6. Members are also asked to note the annual review of the corporate risk management documents.

**Resource Implications:**

No additional resource requirements.

**Legal and Governance Implications:**

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

**Safer, Cleaner, Greener Implications:**

None.

**Consultation Undertaken:**

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

**Background Papers:**

None.

**Impact Assessments:**

Risk Management

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

**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>
03/01/17  Director of Resources	The purpose of the report is to monitor corporate risks. It does not propose any change to the use of resources and so has no equalities implications.

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

**Date: 30 March 2017**

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# 1. Introduction

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

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

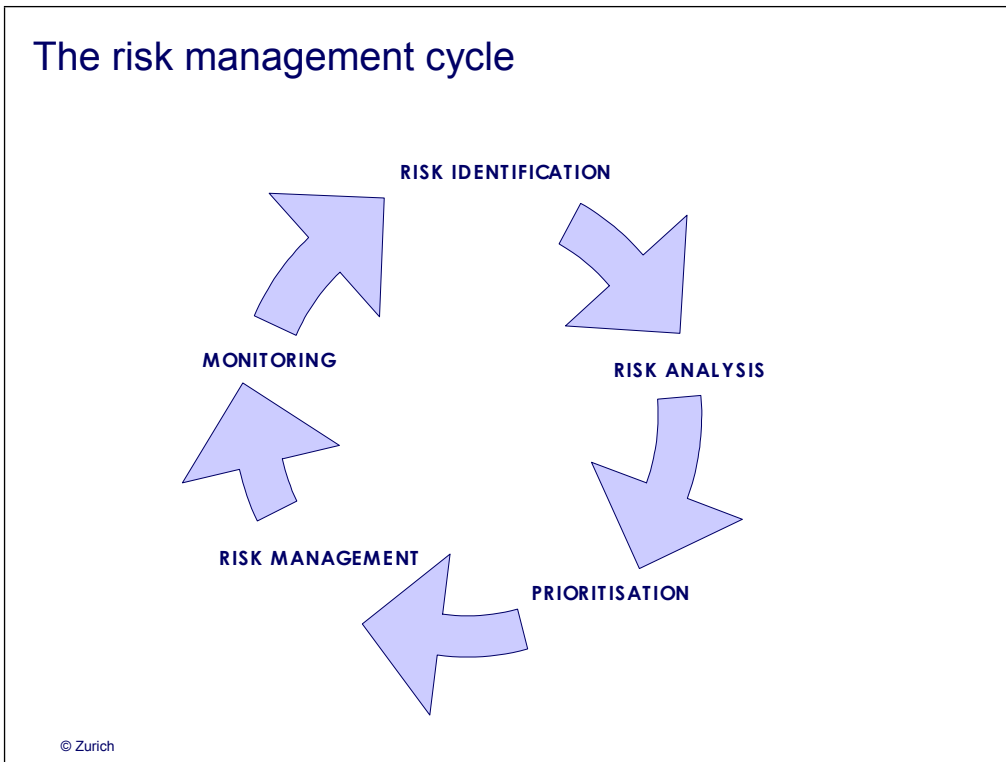
In total 8 strategic risks were profiled at the workshop and during the workshop, each risk was discussed to ensure common agreement and understanding of its description and then prioritised on a matrix. The risk matrix measured each risk for its likelihood and its impact in terms of its potential for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

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

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

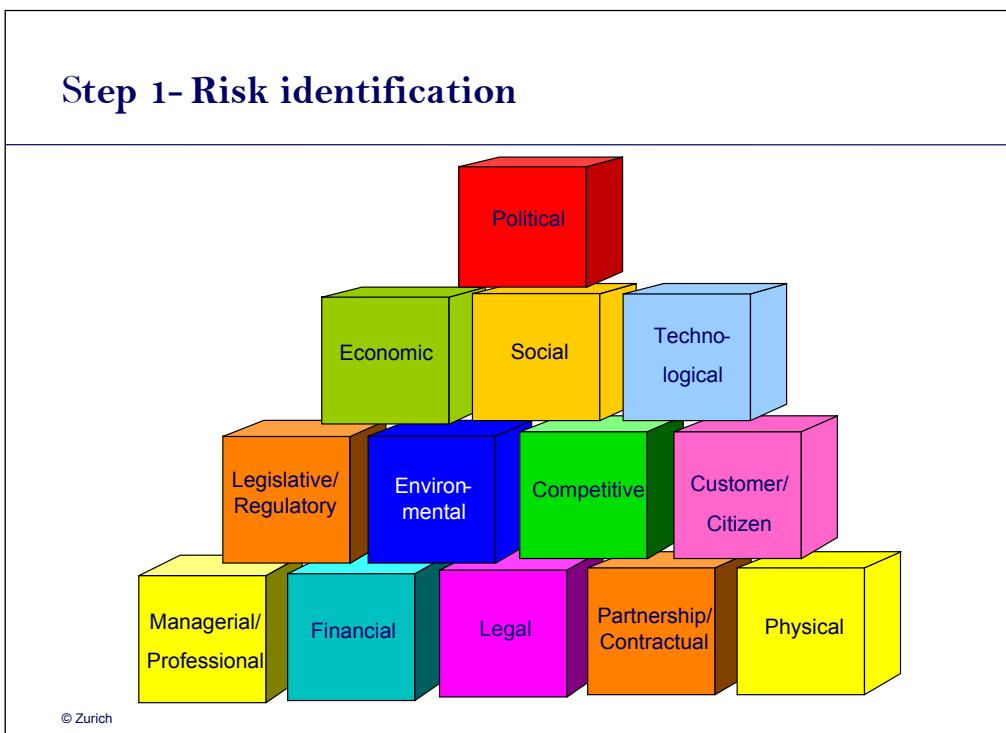
The following report outlines the process utilised by Zurich Risk Engineering and the results achieved.

## 2. The Process



### Risk identification

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





## **Risk analysis**

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

## **Risk prioritisation**

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

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

## **Risk management and monitoring**

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

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

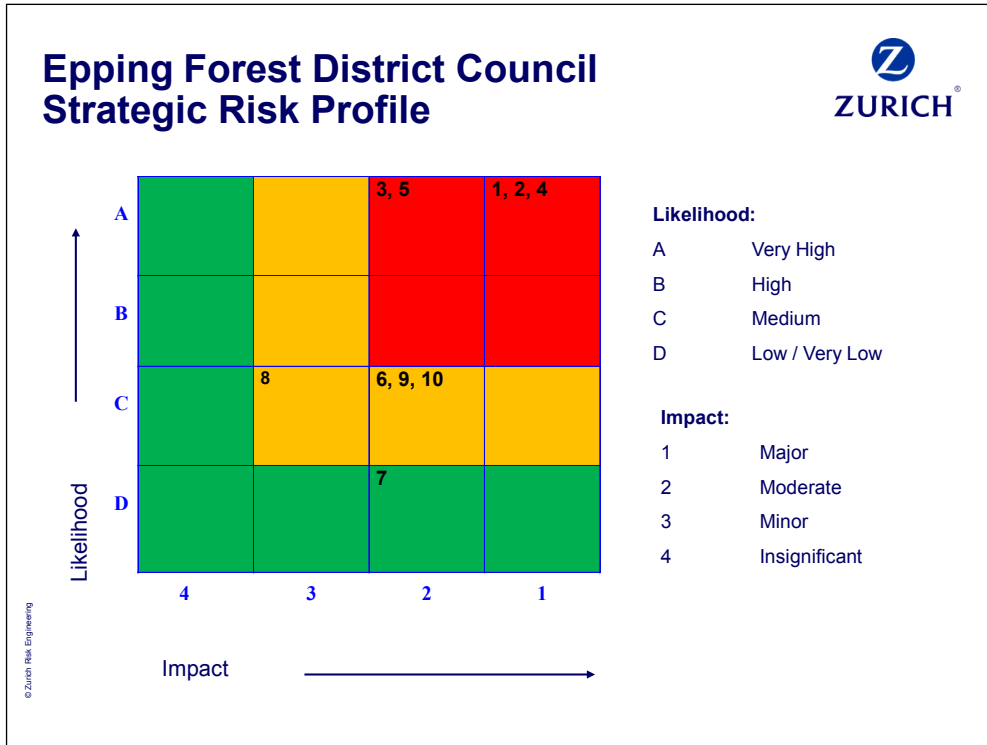
The monitoring of these action plans takes place at Corporate Governance Group, Management Board and the Risk Management Group. The action plans are also reported to Members quarterly.

As part of the regular review and reporting an additional risk on Safeguarding was added to the register in January 2014. The most recent addition was a risk covering various aspects of Housing Capital Finance and this was added in June 2015.

# Appendix 1 – Risk Profile

## Risk profile

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



Appendix 2 details all of the above risks.

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

An opportunity was also taken as part of this refresh to ‘spring clean’ the risk numbers, and they were numbered in priority order as follows:

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

## Appendix 2 – Corporate Risk Register and Action Plans

Risk No 1	Local Plan	A1		
Vulnerability	Trigger	Consequence	Risk Owner	
<p>On-going changes to Planning system increase importance of having up to date Local Plan, in particular, Central Government’s announcement that Local Authorities must complete by 2017 or face sanctions</p> <p>Changes in government planning policy require new Local Plan to take approaches significantly different from predecessors e.g. Duty to Co-operate, release Green Belt.</p> <p>Difficulties in implementing “Duty to Co-operate” may make it difficult or impossible to achieve “sound” Local Plan in timely fashion</p> <p>Particular vulnerability to delay in approvals from Highways England on strategic modelling delay ability to understand impacts of delivering to objectively assessed need levels.</p> <p>Protracted process of achieving local highway modelling</p> <p>Failure to make timely progress increases likelihood of “planning by appeal”</p> <p>Planning policy recruitment and retention issues. Not considering alternative options of delivering work i.e outsourcing.</p>	<p>Failure to make timely decisions and adhere to Local Development Scheme Project Plan.</p> <p>Failure of Council to approve a draft plan in line with National Planning Policy Framework.</p> <p>Inability to agree, particularly on amount and distribution of objectively assessed development needs.</p> <p>Failure to make timely decisions on Preferred Approach plan due to lack of required information</p> <p>As above</p> <p>Failure to adhere to Local Development Scheme leads to developers making significant planning applications in advance of new Plan.</p> <p>Inability to fill vacancies.</p>	<p>Reduced ability to manage development in line with local priorities and provide strategic direction. Possible Government intervention through designation as a failing authority, loss of control over the local plan process and loss of new homes bonus.</p> <p>Plan not “sound”, leading to further delay, wasted resources, and vulnerability to planning appeal decisions.</p> <p>As above</p> <p>As above</p> <p>As above</p> <p>Significant diversion of professional resources to appeals. Risk of costs awards against Council.</p> <p>Delays in achieving timetable.</p>	<p>Derek Macnab</p>	

<b>Risk No 1 Local Plan – Action Plan</b>						
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
Project management approach in place including regular updates, resource planning.	Project plan needs to incorporate more time for political engagement at key decision points.	Agree mechanisms and timing with lead members, incorporate in revised project plan	Derek Macnab	Future adherence to project plan.	MB review 6 weekly	None – process ongoing.
Local Development Scheme revised March 2017.	Local Development Scheme adopted by Cabinet 9 March 2017.	Review progress against key milestones.	Derek Macnab	Local Development Scheme remains robust	As necessary	
Workshops for EFDC and Town/Parish councillors on key issues to enhance awareness and understanding of new government requirements.	Workshops popular and helpful.	Supplement workshops with other forms of briefing to EFDC members as agreed with leading members.	Derek Macnab	Timely decision making in line with project plan.	As necessary	
Engagement with other key stakeholders e.g. ad hoc meetings with Town/Parish councils, Resident Associations and website, making positive use of external PR firm.	Utilising existing mechanisms including Local Council Liaison Committee. Intensive engagement takes place in lead up to formal consultations. Ongoing discussions being had around Neighbourhood Plans.	Assess responses to consultation.	Derek Macnab	Stakeholders feel well informed about process and decisions. Informed responses to public consultation.	As necessary	

<b>Risk No 1 Local Plan – Action Plan</b>						
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Systematic approach to Duty to Co-operate, engaging public bodies and developing Memorandum of Understanding with key councils in the Strategic Market Housing Area.</p>	<p>Difficulties and delay in engaging councils in serious discussion re Memorandum of Understanding, however progress now being made. Meetings held with most other key bodies with positive outcomes, issues identified. Constant review of Planning Inspectorate local plan decisions re Duty to Co-operate.</p>	<p>Important that key decisions do not precede Duty to Co-operate i.e. “fait accompli”- Group is exploring additional items to be included on discussion agenda. Engage further key bodies e.g. Lee Valley Regional Park. Discuss informally with Planning Inspectorate as necessary.</p>	<p>Derek Macnab</p>	<p>Submitted plan passes legal test of Duty to Co-operate.</p>	<p>MB review six weekly</p>	<p>Officer Meetings – monthly now underway.</p> <p>Governance arrangements agreed. “Duty to Co-operate” Member meetings now ongoing.</p>
<p> lobbying of DCLG and local MP’s re Highways England delays together with SHMA partners. Pursuit of MoU with Natural England.</p> <p>Consistent close working with Essex County Council through relevant structures, and individual officers</p>	<p>Effect as yet unknown</p>	<p>Joint letter from Leaders to local MPs</p>	<p>Derek Macnab</p>	<p>As above</p>	<p>As above</p>	
<p>Consultants in place to support project management, resource planning, Sustainability Assessment, transport modelling, master planning.</p>	<p>Staff cannot be prevented from leaving. Exit interviews should reveal any specific patterns. Market is picking up, making recruitment more difficult. EFDC is not offering the most competitive salaries compared to other Essex and London authorities.</p>	<p>Ongoing review of strategy by senior planners and Management Board.</p>	<p>Derek Macnab</p>	<p>No delays to timetable due to staffing gaps or lack of critical skills</p>		

<b>Risk No 2 Strategic Sites A1</b>						
<b>Vulnerability</b>		<b>Trigger</b>		<b>Consequence</b>		<b>Risk Owner</b>
<p>The Council has a number of Strategic sites which it needs to make the right decisions about and then deliver on those decisions.</p> <p>One key individual is driving forward the projects.</p>		<p>Not maximising the opportunity of the strategic sites either through decisions or delivery.</p> <p>Loss of key individual</p>		<ul style="list-style-type: none"> <li>Financial viability of Council harmed</li> <li>Lack of economic development and job creation</li> <li>External criticism</li> </ul> <ul style="list-style-type: none"> <li>Project delayed or mismanaged</li> </ul>		Derek Macnab
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Work on strategic sites is co-ordinated through a dedicated Cabinet Committee.</p> <p>Page 54</p>	<p>Work is progressing on developing a number of sites:</p> <ol style="list-style-type: none"> <li>1. Winston Churchill, good progress being made on site;</li> <li>2. St Johns, work progressing on tri-partite agreement with developer and Town Council;</li> <li>3. Langston Road, construction ahead of schedule but ongoing issues with highways works;</li> <li>4. Waltham Abbey Leisure Centre; report on covenants and appropriations to March Cabinet;</li> <li>5. Pyrles Lane Nursery, DDMC granted consent for the redevelopment of the site in February 2015.</li> </ol>	<p>Reports to Cabinet Committee and Cabinet to obtain decisions on development options.</p> <p>Identification of alternative Housing depot and re-location.</p> <p>Meeting arranged with Highway Authority.</p> <p>Obtain detailed planning consent.</p> <p>Produce marketing strategy.</p>	Derek Macnab	Development of strategic sites completed in accordance with Cabinet decisions.	Monthly	None

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

<b>Risk No 4 Finance Income A1</b>						
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
<p>The Government are consulting on significant changes in responsibilities and financing. Despite four year settlements being in place further reductions still likely.</p> <p>A large number of rating appeals have been received and the outcome of these is uncertain.</p> <p>Welfare reform may require substantial change to the calculation and administration of benefits with a likely reduction in funding received.</p> <p>The medium term financial strategy requires substantial net CSB reductions over three years.</p>		<p>Unable to secure required level of income due to reduced demand for services, changes in legislation or adverse change in funding mechanisms.</p>	<ul style="list-style-type: none"> <li>• Council unable to meet budget requirements</li> <li>• Staffing and service level reductions</li> <li>• Increase Council Tax</li> <li>• Increase in charges</li> <li>• Greater use of reserves if required net savings not achieved</li> <li>• Higher level of saving in subsequent years.</li> </ul>			<p>Bob Palmer</p>

<b>Existing Controls /actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Monitoring of key income streams and NDR tax base. Savings opportunities pursued through service reviews and corporate restructure.</p>	<p>Effective to date as budgets have been achieved that meet the financial targets set by Members.</p>	<p>Update Medium Term Financial Strategy as announcements are made on changes to central funding and welfare.</p> <p>Continue to pursue opportunities to reduce net spending.</p>	<p>Bob Palmer</p>	<p>Savings targets achieved with net expenditure reductions over the medium term as part of a structured plan.</p>	<p>Monthly</p>	<p>20 July, update of Medium Term Financial Strategy.</p>



<b>Risk No 5 Economic Development A2</b>						
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
Economic development and employment is very important, particularly in the current economic climate. The Council needs to be able to provide opportunities for economic development and employment (especially youth employment) in the District.		Council performs relatively poorly compared to other authorities.	<ul style="list-style-type: none"> <li>• Unable to secure sufficient opportunities</li> <li>• Local area and people lose out</li> <li>• Insufficient inward investment</li> <li>• Impact on economic vitality of area</li> <li>• Loss of revenue</li> </ul>			Derek Macnab
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Work has commenced on an updated Economic Development Strategy.</p> <p>Cabinet approved four new projects.</p> <p>Economic Development and Employment Policies drafted for inclusion in the Local Plan.</p>	Too early to determine effectiveness.	Amend and update following consultation on Local Plan.	Derek Macnab	Growth in NDR tax base and employment opportunities. Council to be viewed as punching above its weight.	Monthly	None

<b>Risk No 6 Data / Information C2</b>						
<b>Vulnerability</b>		<b>Trigger</b>	<b>Consequence</b>			<b>Risk Owner</b>
The Authority handles a large amount of personal and business data. Either through hacking or carelessness, security of the data could be compromised.		Data held by the Council ends up in inappropriate hands.	<ul style="list-style-type: none"> <li>• Breach of corporate governance</li> <li>• Increased costs and legal implications</li> <li>• Reputation damaged</li> </ul>			Colleen O'Boyle
<b>Existing Controls/actions to address risk</b>	<b>Effectiveness of controls/actions</b>	<b>Required further management action</b>	<b>Responsibility for action</b>	<b>Critical success factors and measures</b>	<b>Review frequency</b>	<b>Key date</b>
<p>Updated Data Protection policy agreed by Corporate Governance Group and rolling out through meta-compliance.</p> <p>Data Protection formed part of Member induction from May 2014, with requirement to confirm acceptance of the Council's DP policy.</p> <p>Consolidation of Data Protection and Freedom of Information work in one area.</p> <p>Security Officer is continually monitoring situation and potential risks. Most systems have in built controls to prevent unauthorised access.</p> <p>Controls in systems have been strengthened in response to specific occurrences.</p>	Generally effective to date, with no significant lapses so far in 2016/17.	<p>Update F.O.I. publication scheme and guide to information.</p> <p>New system for handling F.O.I. requests purchased and being implemented. Review after six months for extension to Data Protection.</p> <p>Data sharing and fair processing notices to be reviewed and standardised.</p> <p>Maintain GCSx compliance and system controls.</p> <p>A working group is reviewing data held by Directorates to eliminate duplication and any inadvertent Data Protection issues. The group is also looking at changes necessary for implementing GDPR.</p>	Colleen O'Boyle	<p>Continued security of personal data held by the Council in accordance with the Data Protections Act 1998.</p> <p>No criticism from the ICO over how requests are handled.</p> <p>No data loss or system downtime due to unauthorised access of EFDC systems or data.</p>	Quarterly	None

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

2019/20

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

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

**Risk No 9 Safeguarding - Action Plan**

Existing Controls/ actions to address risk	Effectiveness of controls/actions	Required further management action	Responsibility for action	Critical success factors and measures	Review frequency	Key date
<p>The Council has a Safeguarding Policy (2015), which is updated in line with new legislation. The policy details what is required of all staff and Elected Members and is supported by a set of procedures which set out the process for recording safeguarding concerns, incidents and allegations.</p> <p>A corporate Safeguarding Group ensures sharing of best practice and information across Directorates and enables the identification of any weaknesses in the Council's work.</p> <p>Council policies have been developed for all new and emerging safeguarding issues such as Child Sexual Exploitation (CSE).</p> <p>A Safeguarding Strategy and Action Plan has been adopted by Cabinet.</p> <p>The Safeguarding Officer and part time Admin. Posts have now been included in the establishment.</p> <p>Nursery Worker Accommodation Task Group established.</p>	<p>The Council has reduced the risk of safeguarding issues going unnoticed by staff and Elected Members by providing a range of training and production of the new Policy and procedures in 2015.</p> <p>This group has become an effective forum for sharing of best practice and commitment from all Directorates is shown.</p> <p>Several of these policies have been used across Essex as examples of best practice.</p> <p>The Safeguarding Strategy and Action Plan set out the areas requiring further improvement.</p> <p>These posts have enabled a Safeguarding 'Hub', which all EFDC safeguarding issues are filtered through. The number of concerns identified in the last year has increased significantly.</p>	<p>Leadership Team and Managers to continue to promote vigilance amongst staff.</p> <p>The Council needs to ensure timely response to changes in legislation or local procedures.</p> <p>Directorates need to continue to commit time for representatives to attend the Corporate Working Group.</p> <p>An ongoing rolling programme of training needs to be in place, to update and refresh staff and Elected Member awareness in the new and emerging issues.</p> <p>The group has developed an action plan which is submitted to Management Board.</p>	<p>Alan Hall</p>	<p>The Council meets all of its duties under Section 11 and 47.</p> <p>The Council meets the new duties of the Care Act 2014.</p> <p>The Council fully meets all aspects of the ESCB/ESAB Safeguarding self - assessment.</p>	<p>Monthly</p>	<p>ESCB (Safeguarding Children) Audit to be submitted October 2017.</p>

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

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**Epping Forest District Council****Risk Management & Assurance Group Terms of Reference****Who we are, what we do and for whom**

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

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

**Aims & Objectives**

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

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

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

## **Epping Forest District Council**

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

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

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

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

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

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

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

#### **Responsibilities of Individuals**

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

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

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

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

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

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

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

**Objective**

The aims of risk management for the Council are to:

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

Achieving these aims will:

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

**Organisation**

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

To assist:

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

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

## **Arrangements**

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

**Epping Forest District Council**

**Risk Management Policy Statement**

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

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

The Council will develop its risk management programme to:

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

Thus benefiting the whole community.

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

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

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