

## Select Committee Agenda



### **Resources Select Committee Tuesday, 4th December, 2018**

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

**Committee Room 1, Civic Offices, High Street, Epping**  
on **Tuesday, 4th December, 2018**  
at **7.30 pm**

**Derek Macnab**  
**Acting Chief Executive**

**Democratic Services  
Officer**

Vivienne Messenger, Democratic Services  
email: [democraticservices@eppingforestdc.gov.uk](mailto:democraticservices@eppingforestdc.gov.uk)

#### **Members:**

Councillors A Patel (Chairman), P Stalker (Vice-Chairman), N Bedford, L Burrows, K Chana, D Dorrell, I Hadley, J Jennings, J Lea, A Mitchell, M Owen, C P Pond, B Vaz and J H Whitehouse

**SUBSTITUTE NOMINATION DEADLINE:**

**6.30 pm**

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

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

- 3. NOTES OF PREVIOUS MEETING (Pages 5 - 14)**

#### **Minutes**

To agree the notes of the meeting of the Select Committee held on 16 October 2018.

#### **Matters Arising**

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

**4. DECLARATIONS OF INTEREST**

To declare interests in any items on the agenda.

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

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

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

**5. TERMS OF REFERENCE AND WORK PROGRAMME (Pages 15 - 20)**

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

**6. CORPORATE PLAN 2018-2023 - PERFORMANCE REPORT QUARTERS 1 & 2 2018-19 (Pages 21 - 52)**

To consider the report (attached).

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

**7. SICKNESS ABSENCE (Pages 53 - 58)**

To consider the report (attached).

**8. QUARTERLY FINANCIAL MONITORING (Pages 59 - 88)**

To consider the report (attached).

**9. GENERAL UPDATE ON THE GENERAL FUND CSB, DDF AND ITS (Pages 89 - 98)**

To consider the report (attached).

**10. SHARED SERVICES WORKING**

To receive a verbal update, if available.

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

To consider which reports are ready to be submitted to the Overview and Scrutiny Committee at its next meeting.

**12. FUTURE MEETINGS**

To note the future meetings of this Select Committee will be held at 7.30pm on:

- 12 February 2019; and
- 2 April 2019.

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**EPPING FOREST DISTRICT COUNCIL  
NOTES OF A MEETING OF RESOURCES SELECT COMMITTEE  
HELD ON TUESDAY, 16 OCTOBER 2018  
IN COMMITTEE ROOM 1, CIVIC OFFICES, HIGH STREET, EPPING  
AT 7.30 - 9.36 PM**

**Members Present:** A Patel (Chairman), P Stalker (Vice-Chairman), N Bedford, L Burrows, I Hadley, J Lea, A Mitchell, M Owen, C P Pond, B Vaz and J H Whitehouse

**Other members present:** A Lion, C Whitbread, R Morgan and G Mohindra

**Apologies for Absence:** K Chana, D Dorrell and J Jennings

**Officers Present** P Maddock (Assistant Director (Accountancy)), D Newton (Assistant Director (ICT and Facilities Management)), S Bacon (ICT Operations Manager), G Blakemore (Strategic Director) and A Hendry (Senior Democratic Services Officer)

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

It was noted that there were no substitute members for this meeting.

**17. NOTES OF PREVIOUS MEETING**

**Minutes**

The notes of the meeting held on 9 July 2018 were agreed subject to noting that the Committee had asked for minute item 12 (Project Initiation Documents) to be deferred to a future meeting.

**Matters Arising**

The Assistant Director, Resources noted that:

- under item 5, provisional capital outturn 2017/18, the action point on the disabled adaptations, that this would now go through as part of the budget process;
- under item 6 provisional revenue outturn 2017-18 – Councillor Bedford had not yet received a reply for his question on recycling income, this would be chased up;
- under item 7, corporate plan key action plan 2017-18 qtr.4 outturn - Councillor Dorrell had asked for a definition of the phrase ‘under control’ – this was now taken to mean that the project would be completed within the next 6 months; and
- under item 8, KPI 2017-18 qtr.4 outturn – under RES005 – it was reported that EFDC had been due to fully utilise Universal Credit by the end of this year, but with the recent government announcement, this had been put back again.

**18. DECLARATIONS OF INTEREST**

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

## **19. TERMS OF REFERENCE AND WORK PROGRAMME**

The Committee noted their Terms of Reference. The Chairman reminded members that part of their Terms of Reference was to scrutinise value for money.

The Assistant Director, Resources, Mr Maddock reported that a report on the People's Strategy would be going to the December 2018 meeting and would be added to the work programme.

The Chairman added that a report on the Council's use of agency staff would also be coming to a future meeting and this would also be added to the work programme.

## **20. QUARTERLY FINANCIAL MONITORING - QUARTER 1**

The Assistant Director, Resources, Mr Maddock introduced the quarter 1 financial monitoring report. The report provided a comparison between the original estimate for the period ended 30 June 2018 and the actual expenditure or income as applicable.

He noted that:

- overall there was a salary underspend of 2.8%, with the Neighbourhood Directorate having the largest part of this;
- the investment interest was slightly above the target due mainly to the Council holding more cash than was expected;
- Development Control income at Month 3 was well above expectations. Fees and charges were £274,000 higher than the budget to date and pre-application charges were £5,000 lower than expected;
- Building Control income was £22,000 lower than the budgeted figure at the end of the first quarter due to some administrative issues. By the end of month 4 these had been resolved and income was only £5,000 below budget;
- Public Hire licence income was above expectation and other licensing was below expectations. A significant number of renewals were due in the autumn which should bring licensing income back into line with the budget;
- Local Land Charge income was now £8,000 below expectations however it was a little early in the year to be sure whether this trend would continue;
- expenditure and income relating to Bed and Breakfast placements had reduced in recent months. Invoicing had been a little slow from bed and breakfast accommodation providers but also Housing Benefit caseload had been reasonably static;
- no recycling credit income had been received in the first quarter and Essex County Council would have to be chased up for this; and
- the Housing Repairs Fund showed an underspend of £38,000; this related mainly to planned maintenance works.

He reported that this was the seventh year of operation of the Business Rate Retention Scheme where a proportion of the rates collected were retained by the Council. There were proposals that 75% of Business Rates were to be retained within Local Government, to possibly take effect for the financial year 2010/21. The Council had volunteered to take part in a pilot programme for the 75% retention rate in 2019/20 and would find out early next year if it had been successful.

The salaries budget was on track having spent around £6million for the first quarter of the year. The table in the report shows the breakdown under the old structure. This is currently being revised into the new council structure.

Councillor Lion asked why the Communities Directorate were over spent by 0.3% he was told that they were overspent on the HRA but underspent on the General Fund by £7k.

Councillor Bedford asked about slow invoicing from Bed and Breakfast placements. He was told that although they were currently slow in invoicing the Council they would have caught up by the end of the year.

Councillor Patel was concerned that Building Control fees were significantly lower in the first quarter this year than in previous years. He asked if this had picked up in the meantime. He was told that it had now sorted itself out from the end of June.

The Committee noted that the local plan had recently been submitted and expenditure was now on hold. Councillor Stalker asked if the barrister's fees for the appeal had been included in the figures given and was told that they had not yet been taken into account as the council had not been billed as yet.

It was noted that there was now a Local Plan implementation team in Planning Services looking at the scheme. Councillor Lion asked what impact the Local plan would have on other revenues. Councillor Whitbread added that this would need to be profiled as it came into effect. Mr Maddock said that this was something to keep an eye on and to go into the next medium term financial strategy report.

Councillor Owen noted that there was a lot of non-cash items coming through in annex 4d, would there be any way to see the true figures. Mr Maddock said that they did have these figures and he could share it the councillors.

**RESOLVED:**

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

**21. FINANCIAL ISSUES PAPER 2019/20**

The Assistant Director, Resources introduced the Financial Issues Paper 2019/20 that had originally gone to the Finance and Performance Management Cabinet Committee in July of this year.

This report provided a framework for the Budget 2019/20 and updated Members on a number of financial issues that would affect this Authority in the short to medium term.

In broad terms the following represented the greatest areas of current financial uncertainty and risk to the Authority:

- Central Government Funding
- Business Rates Retention
- Welfare Reform
- New Homes Bonus
- Development Opportunities

- Transformation
- Waste and Leisure Contracts
- Miscellaneous, including recession and pay awards

Since the last report was issued last year we have had a general election and the country was involved in preparations for the uncertainty of Brexit when we will officially leave on midnight on 29<sup>th</sup> March 2019. It would be a while yet before the Council could fully evaluate the effects of the Brexit but what we could see at the moment is that for district councils it has increased political uncertainty and reduced funding prospects.

Low interest rates continued and had been with us for nearly a decade, falling to an historic low of 0.25% in 2009. There was no evidence to suggest that things would change dramatically in the future.

Since 2016 the budget had been moved from the Spring to the Autumn so there was a little more uncertainty at this point in the year than previously but it is hoped that more clarity on the two big issues of the Fair Funding Review and Business Rates Retention would be provided in this year's budget.

Councillor Bedford asked if any work had been done on the assumption that there would be no Brexit plan and how it would affect this council. Mr Maddock said that there was a project on this in the planning stage. There have also been officer discussions at the risk management group and this had been put on the 'risk watch list'. However, it was difficult to assess what the effects would be.

The meeting then considered the updated medium term financial strategy. They noted that for some time Members had aligned the balances to the Council's 'Net Budget Requirement' (NBR), allowing balances to fall to no lower than 25% of NBR. The predicted balance at 1 April 2019 of £6,389,000 represented just short of 50% of the anticipated NBR for next year (£12,902,000) and was therefore somewhat higher than the Council's current policy of 25%. However, predicted changes and trends mean that by 1 April 2022 the revenue balance would have reduced to £4,755,000. This still represented over 36% of the NBR for 2020/21 (£12,933,000).

Councillor Owen asked what would happen if it went below 25%. Mr Maddock said that this was just for guidance, we have never been anywhere near 25% but were now getting closer.

It was observed that for the first time last year officers had to top up the DDF from the General Fund balance. This would be kept under review from now on.

Councillor Pond asked if the Council had to do any borrowing so far. She was told that the council had not done any as yet and hopefully there would not be any need to borrow until 2019/20. There were many ways a Local Authority could borrow money, but it was mainly from the Public Works Board at preferential rates. We could also take out short term loans from other Local Authorities (better short term rates). We have loaned out to other authorities in the past. Also, the LGA was setting up a bonds scheme and officers would have to research this.

The Government had previously announced a Fair Funding Review (FFR). The FFR would affect allocations and distributions between local authorities from 2020/21 onwards. A consultation paper was expected between now and mid 2019 with indicative figures for 2020/21 and beyond available from summer 2019 for



implementation in April 2020. FFR will not apply to funding outside the Local Government Finance settlement such as schools and policing but for this Council it was likely to affect the New Homes Bonus, Housing Benefit Admin grant and more importantly how Business Rates retention was going to evolve over the next few years.

The council was now into the sixth year of business rates retention. Since the introduction of business rates retention this Council has done rather better than the DCLG has predicted.

It should be noted that a lot of the earlier business rate appeals had still not been settled. Progress on clearing these appeals had been extremely slow, but we were now down to a little over 100, and calculating an appropriate provision for appeals remained extremely difficult and provision needed to be set aside for these appeals.

It had been mentioned that the Council had benefitted significantly from being in a business rates pool and consequently it had remained in a pool for 2018/19. Monitoring so far indicated that this would still prove beneficial but we were reliant on the outcomes from the other pool members. If it became evident through the monitoring for 2018/19 that this Council would not benefit financially from pooling, a recommendation will be made not to pool for 2019/20.

It was noted that recent comments by the government meant that Universal Credit was currently on hold for its planned roll out in December.

Also, during 2017/18 significant changes were made to the way New Homes Bonus (NHB) was allocated and the reductions in grant were far greater than had been anticipated.

The retail park was now operational with only one unit still under negotiation. Once all units were operating, income from leases should be just over £2,500,000, however, due to rent free periods the amount shown in the accounts each year would be slightly lower.

The Council's single largest cost was its annual pay bill of around £24million and the pay award for 2018/19 averaged out at around 2.3%.

When the adoption of the local plan occurs there would be 11,400 properties built within the district over the period of the plan generating additional Council Tax income. It was difficult to assess what effect this would have on council services other than additional waste collections.

Councillor Lion asked if the income of Corporate Fraud was reflected in the report. He was told that it was not showing in the monitoring report but could be put in. The Council was also getting income from its shared services and from the right to buy, these could also be put on the monitoring report.

Councillor Lion then asked if the Council had car parking enforcement on its estates. Councillor Bedford replied that this was being looked at for the Debden area and was currently under negotiation.

Councillor Patel asked if there was any way the Council could reduce its liability in regards to Business Rates appeals such as an insurance policy. Mr Maddock said that he did not know of any, but could ask about it.

Councillor Bedford asked if the £24million pay bill included pensions. He was told that it did include payments to pension schemes.

**RESOLVED:**

That the Financial Issues paper be noted.

**22. TECHNOLOGY STRATEGY UPDATE**

The Assistant Director ICT, Mr Newton, introduced the updating report on the Technology Strategy. He reported that the implementation of the new corporate project management system, PENTANA, enabled the monitoring of the entire transformation process. Accordingly, all projects from the Technology Strategy had been entered into the system, making PENTANA the central point of reference for the ICT work programme. This report was the first generated for the Resources Select Committee using this new process and was identical to the report presented regularly at Leadership Team meetings. Members were invited to comment on the format and give any feedback to be used to develop the report to improve future presentations.

The Committee noted that there would be a rollout of 420 new laptops of which half had so far been distributed. The Council had purchased 'Office 365' as their new system. They were also replacing the old VPM technology with a better system to enable better out of office working. This also enabled them to replace old technology with newer ones.

The ICT Operations Manager, Mr Bacon, added that this type of PENTANA report was tight and focussed showing cancelled and delayed projects.

Councillor Hadley said that he would like to see just how many projects had slipped and when. He also asked why the laptop build happened in house; why not let HP do it? Mr Newton said that it was cheaper and quicker to build them in house. Mr Bacon agreed that they could add slipped projects into future reports.

Councillor Whitehouse asked why T7.01.05 (service desk satisfaction survey) had been cancelled. She was told that this had been rolled up into a larger piece of work, but more information could be added if needed. Councillor Stalker asked if this could be had as an exception report.

Councillor Bedford asked about T6.02.23 (SQL Server) and why had it been given a due date of 31 March 2023 when it had been completed in 16 April 2018. This was a bit of an overestimation as it had been done in two weeks. Mr Bacon said that they had made the wrong assumption on this.

Councillor Lion asked if, as part of the satisfaction survey, members were going to be surveyed as they were customers too.

Councillor Hadley asked if ICT had a Service Level Agreement (SLA) in place. Mr Bacon said that they did and part of that agreement was to tell people what was happening and about any problems as quickly as possible.

Councillor Patel asked if they put in a 'critical path' for the projects and put in a progress bar. Also as it was a new system how were they finding it? Mr Newton replied that they could not manage their strategy without this new tool. Mr Bacon added that as the projects were based on themes and capital budgets they could see

progress at a glance. Councillor Patel asked Mr Maddock if he used the system. He said that he was considering it at present.

Councillor Patel then asked how easy was it to use the system. Mr Bacon said that initially it was hard as they had to train all the staff, but now that they know what it could do they were happy to use it.

Councillor Patel then asked how they would tweak the format of the report. Mr Newton said that they would take into consideration what had come out of this meeting. Also if members had any other comments to make they could contact him separately at any time.

**RESOLVED:**

- 1) That progress on ICT projects within the current Technology Strategy 2018-2023 be noted; and
- 2) That the committee reviewed and made recommendations on the reporting format of the PENTANA project management software.

**23. FEES AND CHARGES 2019/20**

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

The meeting noted that the Medium Term Financial Strategy had identified the need to find savings of £600,000, £300,000 in both 2020/21 and 2021/22, this was over and above the £2.5m (£1.7m General Fund) savings from the implementation of the people strategy which in itself was very challenging. Revenue Support Grant funding was set to be phased out in 2019/20 and although we had already had the settlement figures as part of the four year agreement this had still to be confirmed by the Government. At this stage there was no real information on funding levels from 2020/21 onwards except that it was expected that 75% of Business Rates income would be retained by the Local Authority sector. The funding split between upper and lower tier authorities had still to be confirmed and it was unclear whether any additional responsibilities would be placed on the sector as a result.

In reality, going forward the Council would have to fund all its General Fund services from the Council Tax, Retained Business Rates and Fees and Charges. If these resources were not sufficient the General Fund balance would need to make up the difference.

Under the Community and Partnership Services officers were looking to generally add on between 2.3 and 2.4% on charges.

Housing and Property Services were looking to add about 2.3%.

Development Control fee levels were controlled by Central Government and the levels of income were somewhat dependant on the economic climate and the number and size of planning applications. The Government introduced an increase in fees of 20% from January 2018 under the proviso that the additional income would be used for planning related services. An assessment would need to be made to ascertain how much income this amounted to and also it would need to be monitored going forward to ensure we comply with the requirements of the new fee regime.

The way Local Land Charges were recorded and dealt with was undergoing significant change. Longer term all information was to be held centrally by the Land Registry with local authorities having access to that system. There was a significant amount of work required by the Council before that could happen including data cleansing and migration to the Land Registry system. This council was expected to be part of the first phase due to be completed by December 2019. A full report on this was to be presented to Cabinet in due course and a review of fees and charges would be carried out for financial year 2020/21.

Cabinet have already looked at car parking services and their fee structure. The cost of collection of bulk waste was subject to an annual index linked increase in line with the Waste Management contract. The proposed fees are based on the increased cost of collection and included an admin fee.

Commercial and Regulatory Services were largely to be kept at their current levels.

There has been a big change in the level of charges for legal fees. Currently they were too low and they needed to be revisited. This had now been done and the fees updated. One proposal was to increase our charges as soon as members were happy we do so and not wait until the new financial year.

There were a number of fees and charges made by the Council which in some cases could be increased and in others could not or an increase could not be justifiable. The report sought member's views on the level of fees and charges for 2019/20.

Councillor Janet Whitehouse asked about venue hire and asked if officers took any note of the usage of the facilities. She was told that they did look at the rates of use. She then asked what the figures in brackets in appendix 2 were. Mr Maddock said that he was not sure and would find out.

Councillor Lion asked about appendix 4 of the report and what were the scooter stores mentioned. He was told that they were for disabled scooters.

Councillor Bedford noticed the licence fee charges for HMOs; he noted that there were new definitions for HMO licences and this may generate more money; he asked if the licences were for a set period or were they indefinite. Mr Maddock said that he would check up on this.

Councillor Bedford noted that licensing fees could only cover our costs; could officers put in what fees we can change and what fees we could not. Mr Maddock said that officers reviewed these charges every year.

Councillor Bedford said that bulky household waste charge concessions were dependant on the pensionable age of the person. But pensionable age varied a lot nowadays and perhaps the wording needed changing to something like "in receipt of a state pension". This was agreed by the committee.

Councillor C Whitbread on reviewing the increased legal fees in appendix 7 of the report commented that some of them still looked quite light and asked who they were benchmarked with. Mr Maddock said that officers needed to do a through review and to look at other authorities and take into account Government thinking on this. Councillor Whitbread said that he was happy to put these increases through as soon as possible, hopefully from January 2019 and then look at them again once we had researched it.

Councillor Bedford asked if we could use the legal team for services for people outside our district. Councillor Lion said that this was being considered and report would be coming forward soon.

Councillor Patel asked about Building Control Fees. Mr Maddock that they had remained unchanged since 2011 and it was therefore recommended to increase fees by an average of 5%, but the exact fee structure was yet to be determined.

**RESOLVED:**

That the Committee reviewed and commented on the proposed level of fees and charges for 2019/20 and made recommendations as appropriate.

**24. TRANSFORMATION PROGRAMME PROJECT DOSSIER - RESOURCES DIRECTORATE**

Mr Maddock introduced the report on the progress of projects and programmes within the Transformation Programme, known as the project dossier for the resources directorate. The Committee were asked to review the list of active High and Medium complexity projects pertinent to this committee.

**P172 – Corporate ICT Team Review** - it was noted that its due date was in a few days time.

**P002 – Service Accommodation Review** – a report on this would be going to cabinet shortly.

**P177 – Recruitment and Retention Review** – Councillor Lion noted that there was no updated commentary on this item as its due date was 31 August. Mr Maddock said that it was nearly complete and should be done by the end of October. He also noted that the Recruitment and Retention review had been split up.

**RESOLVED:**

That the Committee reviewed the updated project dossier for the transformation programme affecting the resources directorate.

**25. TRANSFORMATION PROGRAMME - PROJECT CLOSURES**

The Committee reviewed the project closure report from the transformation programme. This project closure report was for P043 – mail, correspondence and management managed by S Lekha. This was to undertake document scanning projects in legal services and development management to support the transformation programme.

Councillor Patel informed the meeting that the transformation manager Mr Nicholas had been tasked with looking at the closure reports and analysing them to learn any lessons that they brought up.

**RESOLVED:**

That the project closure report, P043, was noted.

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

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

**27. FUTURE MEETINGS**

The Committee noted their future meeting dates.

## RESOURCES SELECT COMMITTEES

### TERMS OF REFERENCE 2018/19

**Title:** Resources Select Committee

**Status:** Select Committee

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

#### **Finance**

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

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

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

#### **Value For Money**

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

**Human Resources**

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

**Transformation Programme**

12. Transformation Projects relevant to this Committee:  
Details of relevant new transformation projects to be submitted to the relevant SC for scrutiny.
13. Transformation Projects closure and benefits reports:  
That any Directorate appropriate project closure and benefits realisation reports to be submitted to this SC for information.

**Chairman:** Councillor A Patel



Resources Select Committee 2018/19 (Councillor A Patel)			
Item	Report Deadline / Priority	Progress / Comments	Programme of Future Meetings
(1) Key Performance Indicators 2017/18 – Outturn Review	Outturn KPI Performance considered at the first meeting of each municipal year.	Outturn KPI performance report for 2017/18 to July 2018 meeting - <b>COMPLETED</b>	09 July 2018; <del>16 October</del> ; 04 December; 12 February 2019; and 02 April
(2) Corporate Plan Key Action Plan 2017/18 – Outturn review	First meeting of each municipal year	Outturn Key Action Plan 2017/18 performance to July 2018 meeting - <b>COMPLETED</b>	
(3) Corporate Plan 2018-2023 – Performance Report (quarterly) for 2018/19	Quarterly	(NB: Incorporates RSC KPIs) Q1 & Q2 December 2018 Q3 February 2019	
(4) Detailed Portfolio Budgets	Portfolio budgets considered on an annual basis jointly with the Finance and Performance Management Cabinet Committee.	Annual Review of portfolio budgets to be considered at joint meeting with the F&PM Cabinet Committee in January of each year.	
(5) ICT Strategy –	Progress against ICT Strategy Considered on an annual basis.	October 2018 - <b>COMPLETED</b>	
(6) Fees and Charges 2019/20	Proposed fees and charges for 2019/20 – for October 2018 meeting.	Proposed fees and charges considered on an annual basis each October - <b>COMPLETED</b>	
(7) Provisional Capital Outturn 2017/18	Provisional outturn for 2017/18 for July meeting.	Provisional Capital Outturn considered on an annual basis at first meeting in each municipal year. <b>COMPLETED</b>	
(8) Provisional Revenue Outturn 2017/18	Provisional Outturn for 2017/18 for July 2018 meeting.	Provisional Revenue Outturn considered on an annual basis at first meeting in each year. <b>COMPLETED</b>	

(9) Sickness Absence Outturn	July 2018	To review the Sickness Outturn report for 2017 /18 <b>COMPLETED</b>
(10) Sickness Absence	Half-yearly progress report for 2018/19 to be considered at December meeting.	Detailed progress against achievement of sickness absence targets reviewed on a six-monthly basis.
(11) Medium Term Financial Strategy & Financial issues paper	October 2018	To receive the financial issues Paper and Medium term financial strategy including 4-year General Fund forecast. - <b>COMPLETED</b>
(12) Quarterly Financial Monitoring	<del>October 2018;</del>	To receive quarterly Financial Monitoring Reports.
	December 2018; and April 2019	
(13) Shared Services Working	If possible a verbal update to be given at December meeting.	To review any shared services working being carried out by EFDC. HR currently working with Colchester and Braintree Councils on a shared HR payroll system.
(14) Business Rates	July 2018	To receive a report updating the Committee on Issues surrounding Business Rates. <b>COMPLETED</b>
(15) General update on the General Fund CSB, DDF and ITS	December 2018	To receive an updating report on the CSB, DDF and ITS schemes.
(16) Universal Credit	April 2019	Updating report on the Government's Universal Credit Scheme.
(17) Resources Directorate Business Plan 2019/20	April 2019	Presentation by all relevant Portfolio Holders.
(18) Transformation Projects relevant to this Committee	As Appropriate	Details of relevant new transformation projects to be submitted to the relevant SC for scrutiny.
(19) Transformation Projects closure and benefits reports	As Appropriate	That any Directorate appropriate project closure and benefits realisation reports to be submitted to this SC for information.

(20) Business Rates Retention Consultation Papers	TBC	Government consultation on Business Rate Retention expected in the Autumn	
(21) Work on People's Strategy	N/A	Presentation by Strategic Director, G Blakemore, to be made to Overview & Scrutiny Committee on 18 December 2018.	
(22) Use of Agency Staff in the Council	TBC	Review of Agency Staff in the Council.	

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## SCRUTINY



Epping Forest District Council

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

**Date of meeting: 04 December 2018**

**Portfolio:** Finance (Councillor G. Mohindra)

**Subject:** Corporate Plan 2018-2023 –  
Performance Report Q1 & Q2 2018/19

**Officer contact for further information:** M Chwiedz (01992 562076)

**Democratic Services Officer:** V Messenger (01992 564265)

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

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

#### **Executive Summary:**

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

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

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

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

This combined report brings together the performance of the Council against the Corporate Plan and gives 'clear line of sight' for performance across the Council via the new benefits maps and performance indicator set. The benefits maps provide an opportunity for the Council to focus attention on how specific areas for improvement will be addressed, and how opportunities will be exploited and better outcomes delivered. It is important that relevant performance management processes are in place to review and monitor performance against performance indicators to ensure their continued achievability and relevance, and to identify proposals for appropriate corrective action in areas of slippage or under performance.

## **Other Options for Action:**

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

## **Report:**

### **The Corporate Plan – Context, Aims and Objectives**

1. The Corporate Plan is the Council's highest level strategic document. It sets the strategic direction and priorities for the organisation for the lifetime of the plan and provides a framework to demonstrate how the work of the Council fits together at a strategic level.
2. The new Corporate Plan runs from financial year 2018/19 to 2022/23 and was adopted by full Council on 21 December 2017. This plan links the key external drivers influencing Council services, with a set of corporate aims and objectives, grouped under three corporate ambitions. The Corporate Plan is the cornerstone of the Council's performance management framework, called its Benefits Management Strategy. The Corporate Plan also provides the policy foundation for the Council's Medium Term Financial Strategy (MTFS) and is essential for the prioritisation of resources to provide public services and value for money.
3. The Council's external drivers have been identified by Cabinet Members and the Council's Management Board and Leadership Team, for the next five years. They have been further refined through consultation and linked with a set of three interdependent corporate ambitions:
  - Stronger Communities;
  - Stronger Place; and
  - Stronger Council.
4. Each ambition has a set of corporate aims, which are in turn detailed by one or more corporate objective.
5. An annual Corporate Specification details how the Corporate Plan will be delivered through a set of operational objectives for that year. In turn, these operational objectives are responded to through annual Service business plans.
6. The previous regular performance reports covering the annual Corporate Plan Key Action Plan, Key Performance Indicators and Transformation Highlight Report have now been superseded by this single integrated performance report.

### **Benefits Realisation**

7. The Corporate Plan can be viewed as a set of benefits maps – one map for each of the ten corporate aims. The content of these maps is by necessity more technical than is presented in the public document.
8. An explanation of these benefits maps is provided in this section of the report.
9. All benefits from individual corporate objectives, connect back to four key benefits, which are as follows:

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

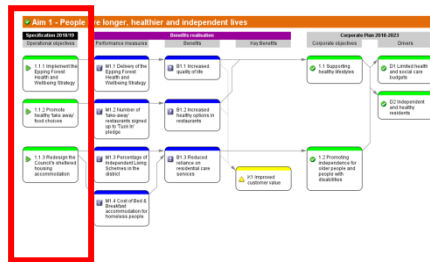
10. In this context, a benefit is defined as: the measurable improvement resulting from an outcome perceived as an advantage by a stakeholder, which contributes towards one or more organisational objectives.

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

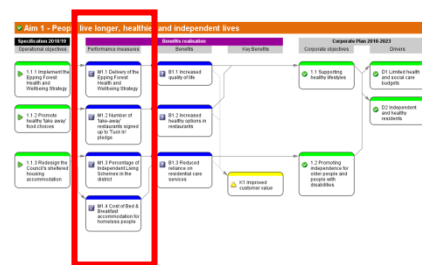
## How to Read the Performance Report

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

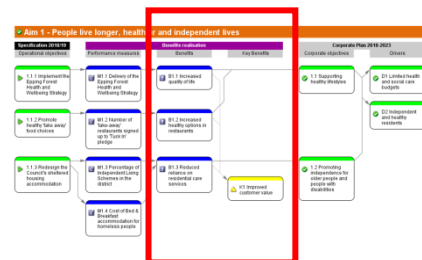
Working from the left-hand side of the benefits maps (see example), the first column contains the annual Specification – formally the Key Action Plan – as a set of operational objectives covering both Businesses As Usual (BAU) and business transformation (projects and programmes).



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

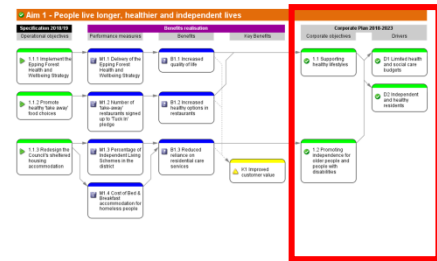


14. The benefits for stakeholders sit at the centre of the benefits maps. One or more performance measures makes up each (intermediate) benefit. Individual performance measures may contribute to one or more benefit. Where this is the case, weightings that show how the performance of these indicators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



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

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



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

## Red-Amber-Green Status, Targets and Thresholds

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

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

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

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

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

<b>O&amp;S</b>	Overview and Scrutiny Committee
<b>CSC</b>	Communities Select Committee
<b>GSC</b>	Governance Select Committee
<b>NSC</b>	Neighbourhoods Select Committee
<b>RSC</b>	Resources Select Committee



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

### **Performance Report**

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

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

### **Resource Implications:**

None for this report.

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

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

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

None for this report.

### **Consultation Undertaken:**

The Finance and Performance Management Cabinet Committee – 13 September 2018, 15 November 2018

Overview and Scrutiny Committee – 29 October 2018

### **Background Papers:**

Various reports, culminating in:

- Corporate Plan 2018-2023 Report to Cabinet (C-032-2017/18) on 7 December 2017.
- Corporate Plan 2018-2023 Report to Council (Item 12) on 21 December 2017.
- Corporate Plan 2018-2023 – Progress Reporting and Performance Indicator Set:
  - Neighbourhoods Select Committee on 20 March 2018
  - Resources Select Committee on 14 March 2018
  - Governance Select Committee on 27 March 2018
  - Communities Select Committee on 18 March 2018
  - Overview and Scrutiny Committee on 17 April 2018.
- Corporate Plan 2018-2023 – Benefits Maps, Performance Indicator Set, Targets and Progress Reporting (FPM-002-2018/19) report to Finance and Performance Management Cabinet Committee on 21 June 2018.

### **Risk Management:**

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

### **Equality Analysis**

This is a quarter 1 and a quarter 2 position for 2018-19, in relation to the achievement of the objectives and measures contained within the Corporate Plan. There are no equality implications arising from the specific recommendations of this report. Relevant implications arising from individual actions will be identified and considered by the responsible service director.

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# Our Corporate Plan 2018-2023

"Ready for the future"

## Stronger communities

1. People live longer, healthier and independent lives

1.1 Supporting healthy lifestyles

1.2 Promoting independence for older people and people with disabilities

2. Adults and children are supported in times of need

2.1 Safeguarding and supporting people in vulnerable situations

3. People and communities achieve their full potential

3.1 Enabling communities to support themselves

3.2 Provide culture and leisure

3.3 Keeping the district safe

## Stronger places

4. Delivering effective core services that people want

4.1 Keeping the district clean and green

4.2 Improving the district housing offer

5. A district with planned development

5.1 Planning development priorities

5.2 Ensuring infrastructure supports growth

6. An environment where new and existing businesses thrive

6.1 Supporting business enterprise and attracting investment

6.2 People develop skills to maximise their employment potential

6.3 Promoting retail, tourism and the visitor economy

## Stronger council

7. Customer satisfaction

7.1 Engaging with the changing needs of our customers

8. Democratic engagement

8.1 Robust local democracy and governance

9. A culture of innovation

9.1 Enhancing skills and flexibility of our workforce

9.2 Improving performance through innovation and new technology

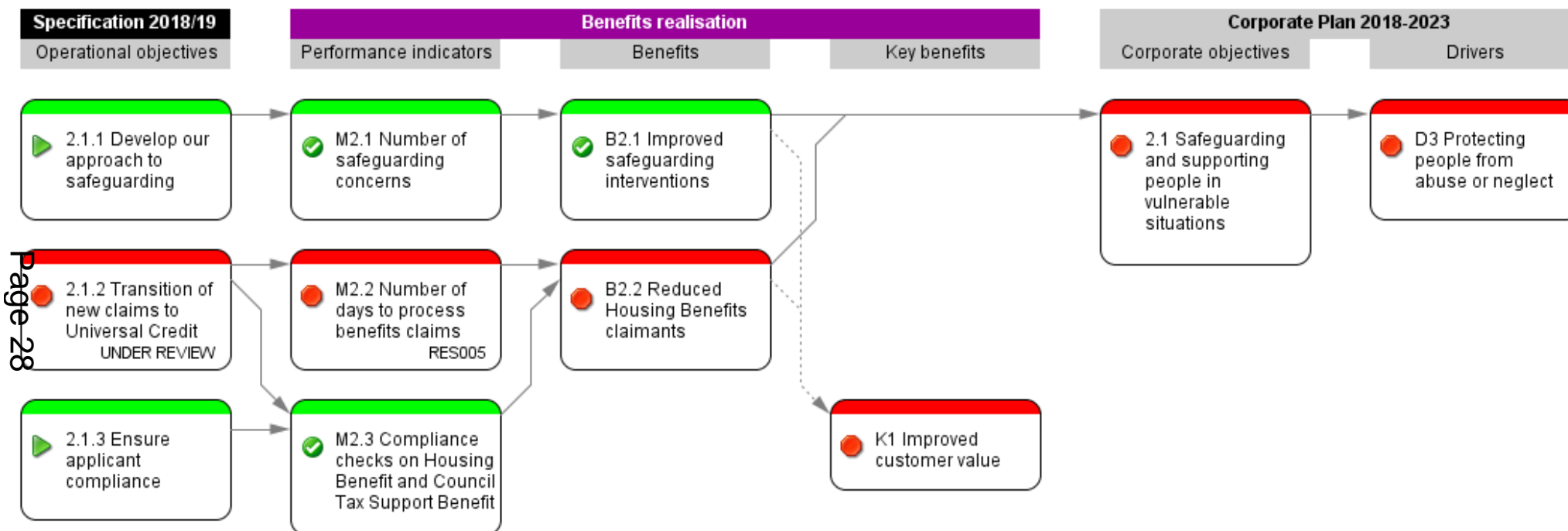
10. Financial independence with low Council Tax

10.1 Efficient use of our financial resources, buildings and assets

10.2 Working with commercial partners to add value for our customers

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

Stronger communities



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

Stronger communities

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

**Corporate objective 2.1 Safeguarding and supporting people in vulnerable situations**

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

**Operational objective 2.1.2 Transition of new claims to Universal Credit**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Transition of new claims to Universal Credit	0%	31-Mar-2019	N/A	RSC	N/A
	Q1 and Q2 - Please note this action will be replaced by a new action.					

**Operational objective 2.1.3 Ensure applicant compliance**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Ensure applicant compliance	50%	31-Mar-2019	Action On Target	RSC	Assistant Director - Benefits (RBE01)
	Q2 - Performance is on target to achieve and exceed the target					
	Q1 - Performance is on target to achieve checks on between 20% and 30% of the caseload during the year. Current performance suggests that almost 1/3 of benefit claims will have their entitlement checked during this financial year.					



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

On average, how many days did it take us to process new benefit claims?  
This indicator monitors the administration of Housing and Council Tax Benefit.  
Targets and performance are measured in days (Previously RES005).

Is year-end target likely to be achieved?



No

Live from

2012

Scrutiny

RSC

Manager

Assistant Director - Benefits (RBE01)

Good performance

Corporate or Partnership indicator

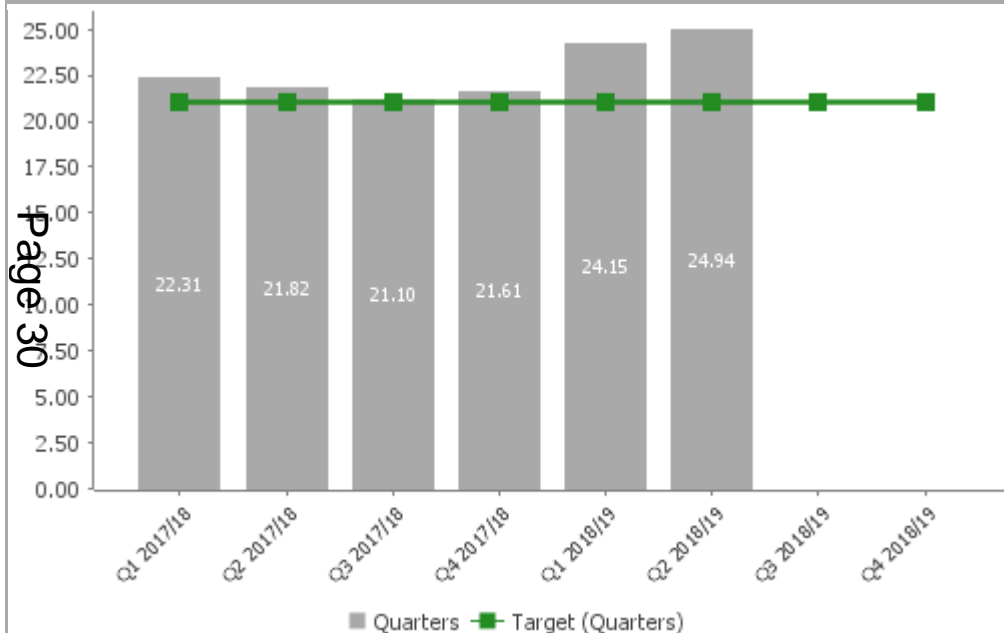
Annual trend

Aim to Minimise

Corporate



Trend chart



Comments

Q2 - Performance is monitored weekly and, following a deterioration in performance, processes have been changed. Processing times have improved and should be reflected in quarter 3.

Q1 - Performance is monitored on a weekly basis and improvements to processes are made when appropriate. Performance is not on target this quarter due to a lack of resources as there have been a number of long term sickness absences. It is expected that there will be an improvement in the next quarter,

Corrective action

Continue to monitor resources closely as a best effective measure

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
21.00	24.15		21.00	24.94		21.00			21.00		



Performance indicator

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

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

Is year-end target likely to be achieved?

Yes

Live from

2018

Scrutiny

RSC

Manager

Director of Communities (CDR01)

Good performance

Corporate or Partnership indicator

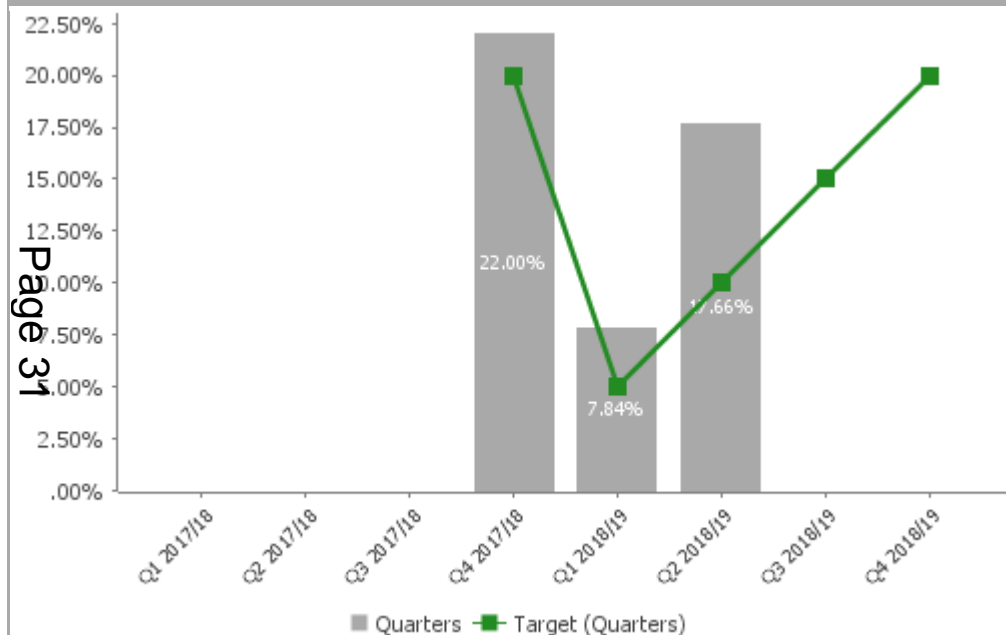
Annual trend

Aim to Maximise

Corporate



Trend chart



Comments

Q2 - Performance is on target to achieve and exceed the target

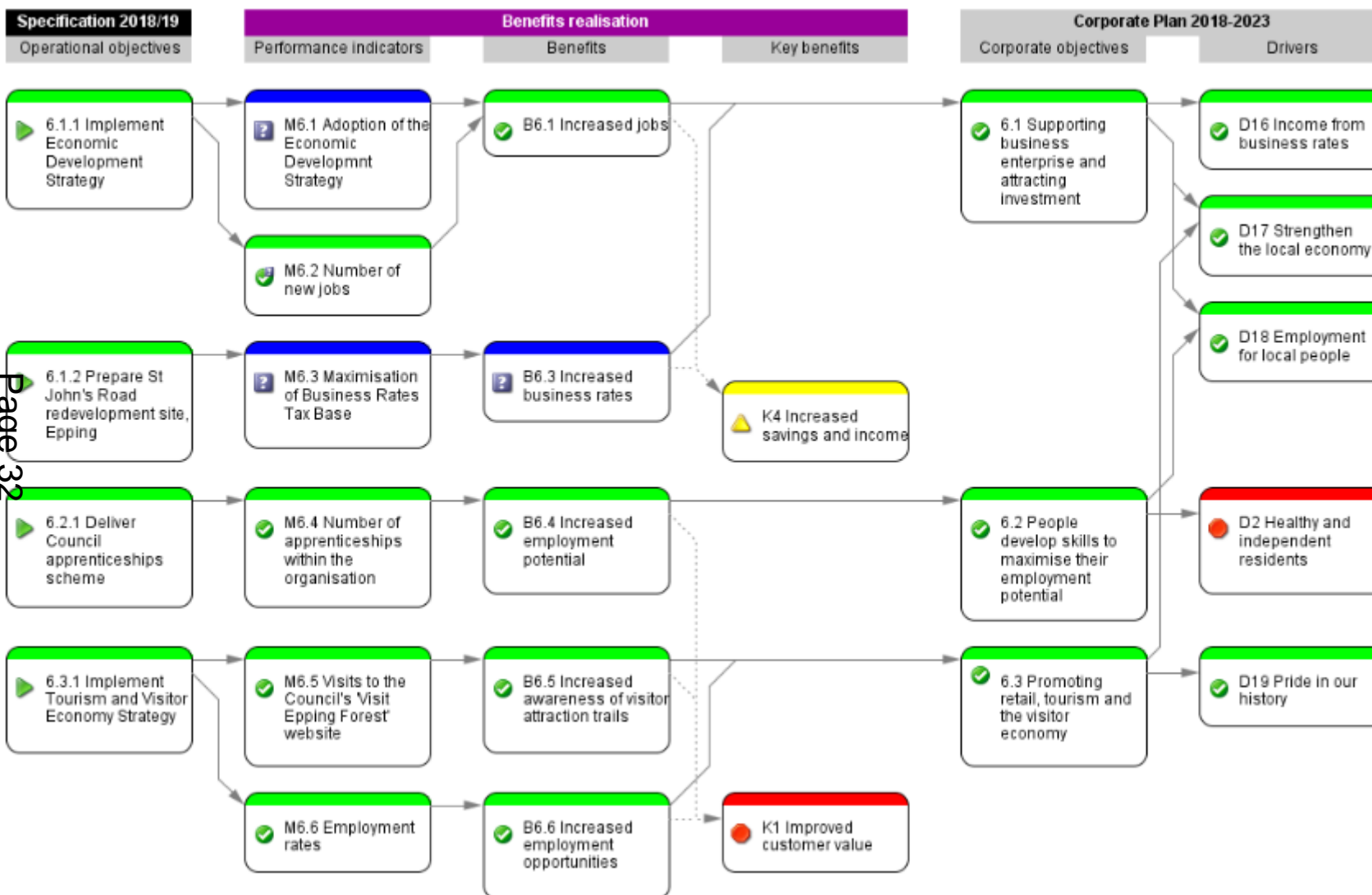
Q1 - Performance is on target to achieve checks on between 20% and 30% of the caseload during the year. Current performance suggests that almost 1/3 of benefit claims will have their entitlement checked during this financial year.

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
5.00%	7.84%		10.00%	17.66%		15.00%			20.00%		

## Aim 6 - An environment where businesses thrive

Stronger places





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

Stronger places

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

**Corporate objective 6.2 People develop skills to maximise their employment potential**

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

**Operational objective 6.2.1 Deliver Council apprenticeships scheme**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Deliver Council apprenticeships scheme	50%	31-Mar-2019	Action On Target	RSC	Learning & Development Manager (RHR02)
Page 33	Q2 - 14 apprenticeships in place, 1 more due to start early next year.					
	Q1 - Apprentices are in their second 6 month work placements, they are 80% complete on their qualifications, all 9 have passed their first year with us and will be offered a second year plus a further apprenticeship qualification. Apprentices also successfully supported delivery of Crucial Crew where they developed and delivered a scenario based on Drugs Awareness.					

<div> <div>?</div> <div>Performance indicator</div> <div>M6.3 Increase of Business Rates Tax Base</div> </div>			
To develop the business rates base within the District by encouraging businesses to be created, expanded or enter the District and which results in new rating assessments and thereby increasing the overall rateable value for the District.	Is year-end target likely to be achieved?		Live from
	<div> <div></div> <div>Not applicable</div> </div>		2018
Scrutiny		RSC	
Manager	Good performance	Corporate or Partnership indicator	
Director of Communities (CDR01)	Aim to Maximise	Corporate	
Annual trend		?	
Trend chart		Comments	
<p>£90,000,000</p> <p>£80,000,000</p> <p>£70,000,000</p> <p>£60,000,000</p> <p>£50,000,000</p> <p>£40,000,000</p> <p>£30,000,000</p> <p>£20,000,000</p> <p>£10,000,000</p> <p>£0</p> <p>2017/18</p> <p>2018/19</p> <p>£96,000,000</p> <p>Years Target (Years)</p>		Q1 & Q2 - To use 2017/18 as baseline with 1% increase for 2018/19  Please note this is a year end 2019 measure	
		Corrective action	
		N/A	

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



## Performance indicator **M6.4 Number of apprenticeships within the organisation**

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

Is year-end target likely to be achieved?

Yes

Live from

2018

Scrutiny

RSC

Manager

Assistant Director - Human Resources (RHR01)

Good performance

Aim to Maximise

Corporate or Partnership indicator

Corporate

Annual trend



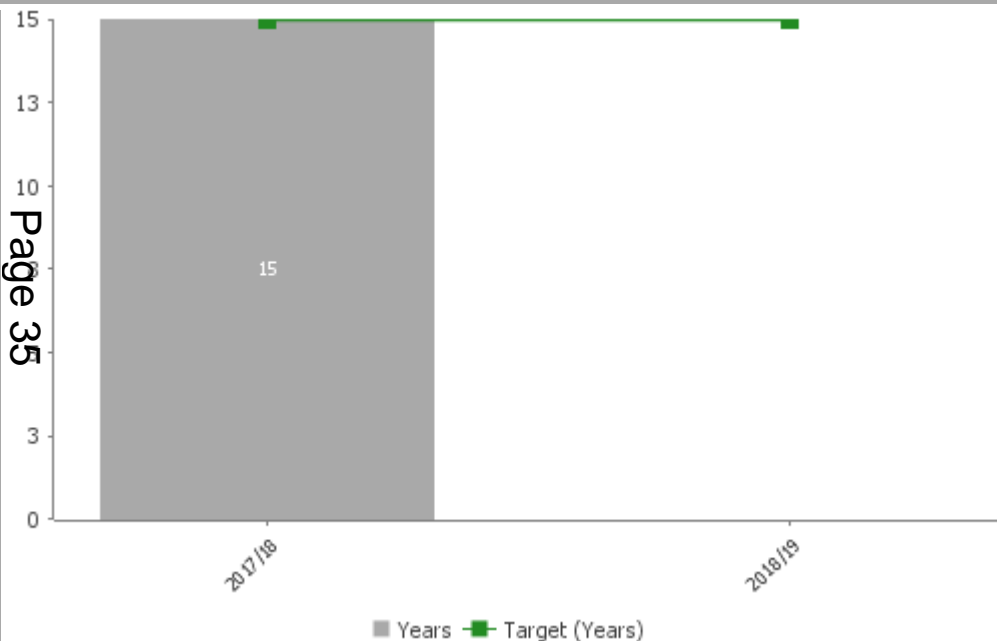
Trend chart

Comments

Q1 & Q2 - Please note that data will be reported at the end of each quarter 3 for this performance indicator

Corrective action

N/A



2018/19

Target

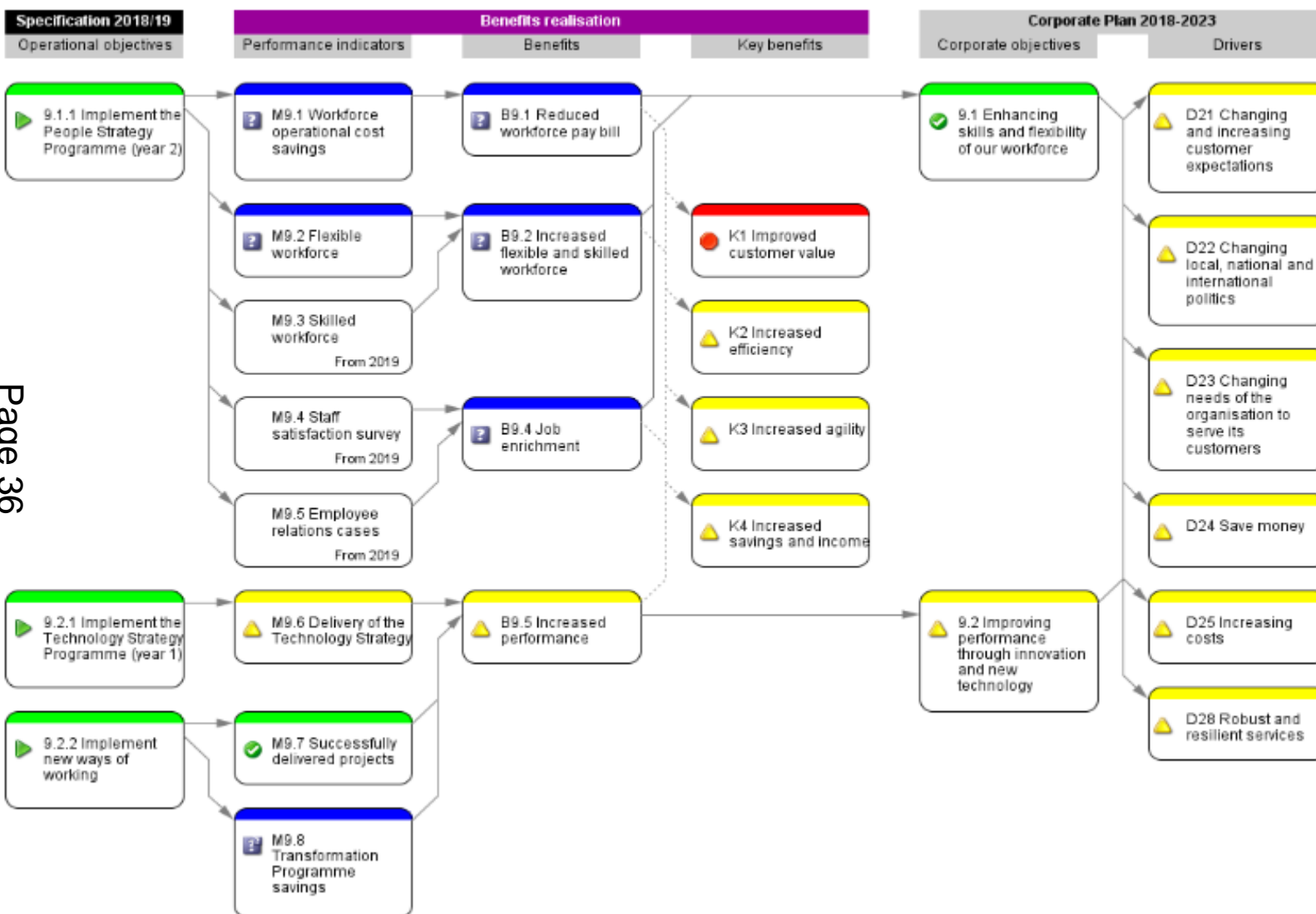
15

Value

Status

## ▲ Aim 9 - A culture of innovation

Stronger council



**Aim 9 A culture of innovation**

Stronger council

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

**Corporate objective 9.1 Enhancing skills and flexibility of our workforce**

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

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

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Implement the People Strategy Programme (year 2)	50%	31-Mar-2019	Action Under Control	RSC	Assistant Director - Human Resources (RHR01)
Page 37	Q2 - Individual project timelines have been updated on Pentana					
	Q1 - A number of projects from year one have amended timelines which has impacted on the start of projects in year two. A revised Tranche Plan is being agreed and Pentana will be updated accordingly					

**Projects & programmes P106 People Strategy Programme**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To develop the skills and attributes of the workforce to enable the Council to face the ongoing challenges and provide local services to the best of our abilities, involving the promotion of a dynamic and fluid workforce that is able to work collaboratively across boundaries and combining the ethos of public service with a commercial understanding.	55%	29-Jun-2020	Implement	RSC	Assistant Director - Human Resources (RHR01)

**Corporate objective 9.2 Improving performance through innovation and new technology**



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

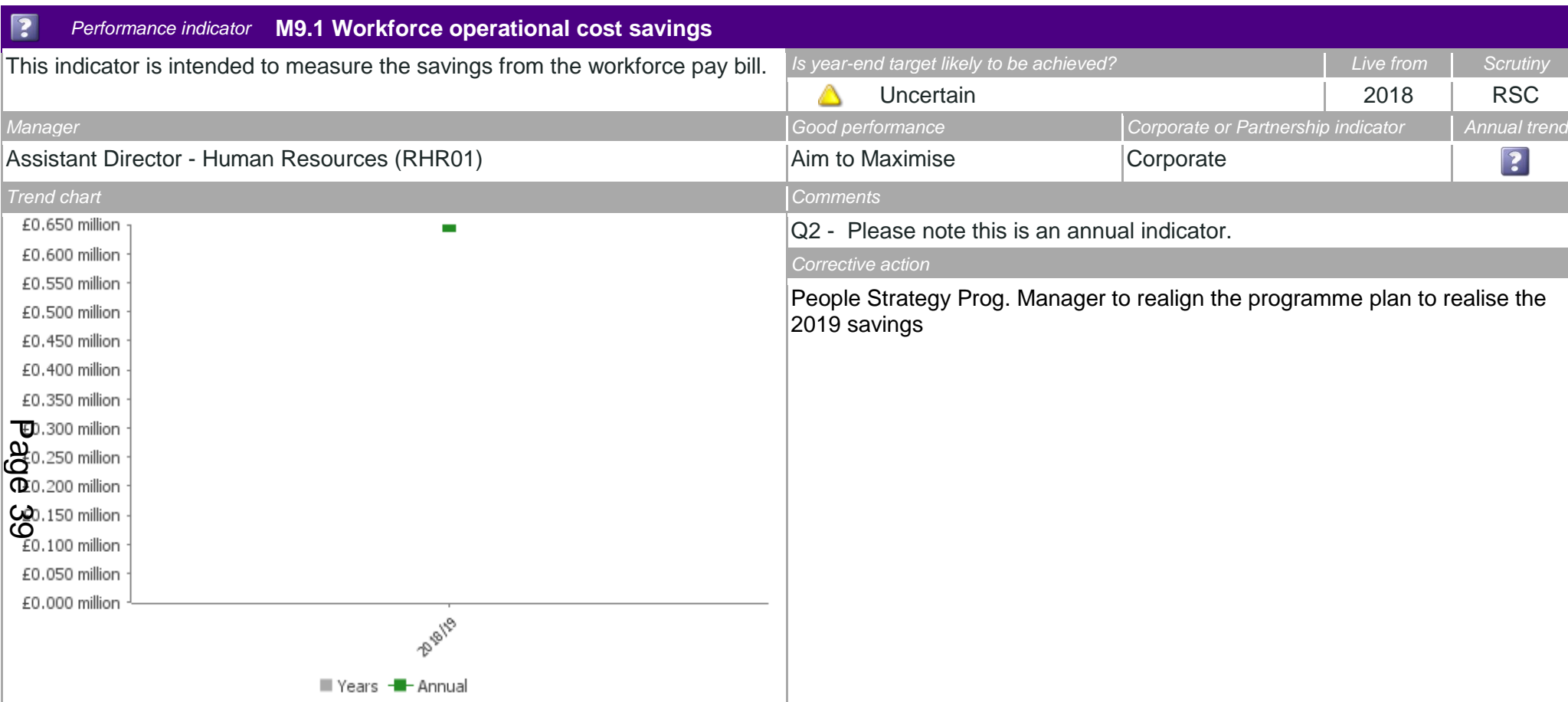
**Operational objective 9.2.1 Implement the Technology Strategy Programme (year 1)**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
	Implement the Technology Strategy Programme (year 1)	38%	31-Mar-2019	Action On Target	RSC	Assistant Director - ICT & FM
	Q2 - Still largely on target with some delays on projects impacted by accommodation review. Main push currently on enabling mobile and flexible working with just over 50% of laptops distributed.					
	Q1 - overall projects are currently slightly ahead of schedule. However, any projects appertaining to the Civic Office building are on hold pending accommodation review progress.					





Page 38

**Projects & programmes P186 Technology Programme 2018-2023**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	Technology Strategy Programme 2018 - 2023 NB % Completion for this project is based on the following: Total Projects completed as % of total scheduled/planned projects. As a result addition of new projects will result in % performance dropping.	32%	31-Mar-2023	Implement	RSC	ICT Program Manager






2018/19		
Target	Value	Status
£0.650 million		



<div>  Performance indicator <b>M9.2 Increased flexible workforce</b> </div>			
This indicator is a measure of the Job Descriptions in circulation by the organisation.	Is year-end target likely to be achieved?		Live from
	<div>  Not applicable </div>		2018
Manager	Good performance	Corporate or Partnership indicator	Annual trend
Assistant Director - Human Resources (RHR01)	Aim to Minimise	Corporate	<div>  </div>
Trend chart	Comments		
<div>  </div>	Q2 - Please note this is a yearly measure due in Q4 2018/19		
	Corrective action		
	N/A		

2018/19		
Target	Value	Status
18		






 Performance indicator <b>M9.3 Increased skilled workforce</b>			
The indicator is intended to measure the relevant skills of staff.	Is year-end target likely to be achieved?		Live from
	 Not applicable		2019
Manager	Good performance	Corporate or Partnership indicator	
Assistant Director - Human Resources (RHR01)	Aim to Maximise	Corporate	 Annual trend
Trend chart	Comments		
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.	Q2 - Please note this is a yearly measure due in Q4 2018/19		
	Corrective action		
	N/A		

2018/19		
Target	Value	Status
60%		

<div> Performance indicator</div> <div>M9.4 Staff satisfaction survey</div>				
The indicator is intended to measure the satisfaction levels of staff.	Is year-end target likely to be achieved?		Live from	Scrutiny
	<div><div></div>Not applicable</div>		2019	RSC
Manager	Good performance	Corporate or Partnership indicator		Annual trend
Assistant Director - Human Resources (RHR01)	Aim to Maximise	Corporate		<div></div>
Trend chart	Comments			
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.	Q2 - Please note this is a yearly measure due in Q4 2018/19			
	Corrective action			

2018/19		
Target	Value	Status

 Performance indicator <b>M9.5 Employee relations cases</b>			
This indicator is a measure of the number of Employee Relations cases across three distinct areas: (1) Sickness absence, (2) Conduct and (3) Disciplinary.	Is year-end target likely to be achieved?		Live from
	 Not applicable		2019
Scrutiny	RSC		
Manager	Good performance	Corporate or Partnership indicator	Annual trend
Assistant Director - Human Resources (RHR01)	Aim to Minimise	Corporate	
Trend chart	Comments		
This indicator will 'go live' in 2019-20. Therefore data for this indicator is being collected as a baseline for 2018-19 for performance reporting from 2019-20.	Q2 - Please note this is a yearly measure due in Q4 2018/19		
	Corrective action		

2018/19		
Target	Value	Status



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

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

Is year-end target likely to be achieved?

Yes

Live from

2018

Scrutiny

RSC

Manager

Assistant Director - ICT & FM

Good performance

Corporate or Partnership indicator

Annual trend

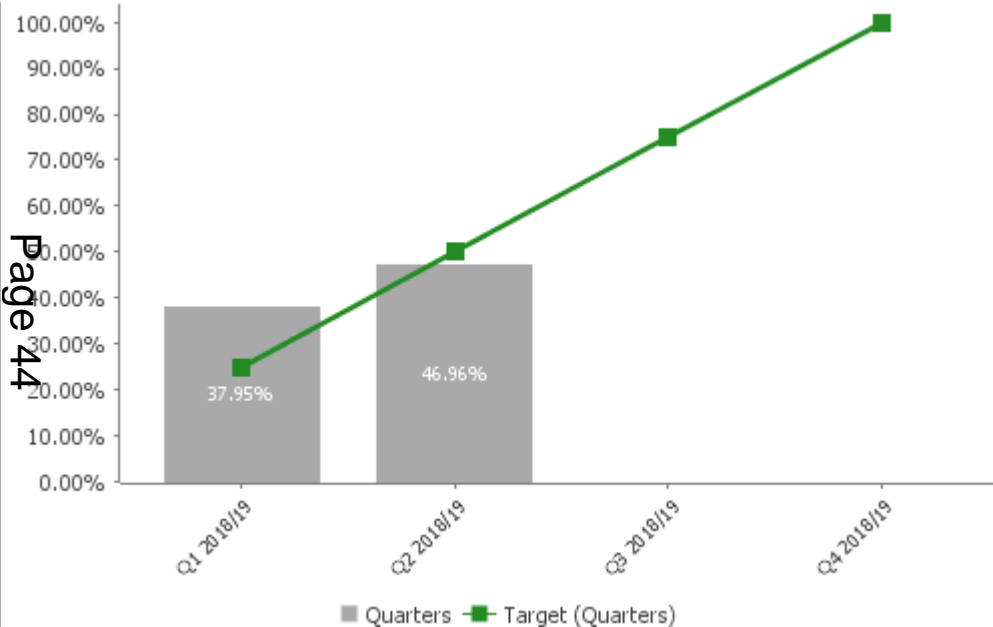
Aim to Maximise

Corporate



Trend chart

Comments



Q2 - 181 Total Projects. 85 Completed. 96 incomplete  
18 New projects added this quarter have reduced % completion, without those KPI would be at 52.1% and above target, in addition a number of projects are on hold due to accommodation work.

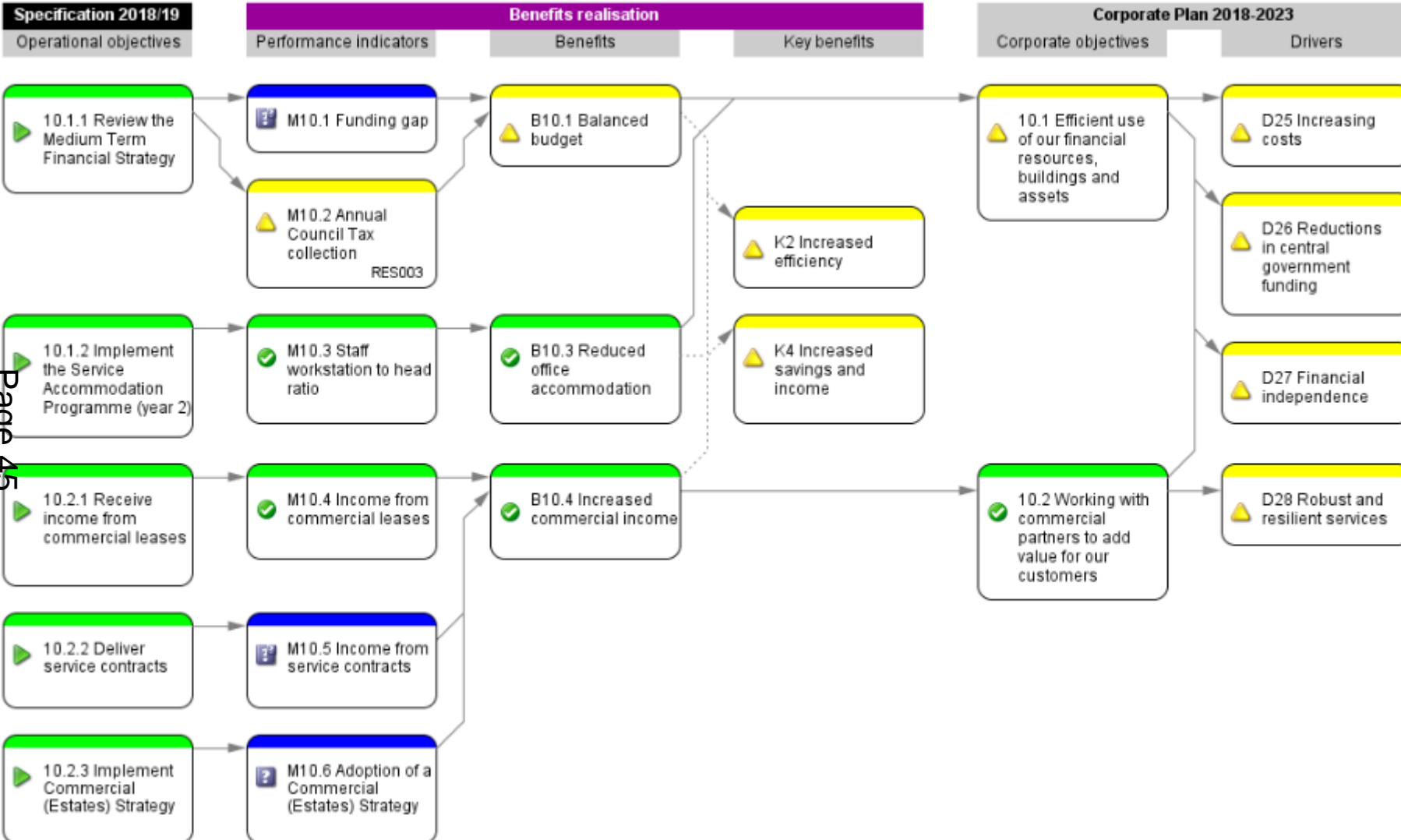
Q1 - 166 Total Projects. 63 Completed. 103 Incomplete

Corrective action

Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
25.00%	37.95%	✓	50.00%	46.96%	⚠	75.00%			100.00%		

## Aim 10 - Financial independence with low Council Tax

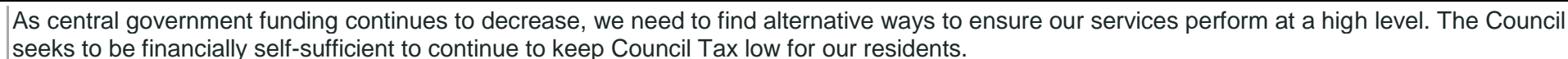
Stronger council





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


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



*Operational objective* **10.1.1 Review the Medium Term Financial Strategy**

RAG	Description	Progress	Due date	Expected outcome	Scrutiny	Manager
🟢	Review the Medium Term Financial Strategy	50%	31-Mar-2019	Action On Target	RSC	Director of Resources (RDR01)
Page	Q2 – the strategy has been approved by Finance Cabinet on 26th July and it will be reviewed again for Finance Cabinet in February 2019					
	Q1 - The Medium Term Financial Strategy will be updated for Finance Cabinet on 26 <sup>th</sup> July.					

Projects & programmes **P160 Service Accommodation Programme**

RAG	Description	Progress	Due date	Stage	Scrutiny	Manager
	To accommodate the majority of the Council's staff within a rationalised footprint of the Civic Offices building in Epping, involving the implementation of a 7:10 desk to staff ratio, agile working practices, and the vacation of the Condor Building and Homefield House.	32%	31-Mar-2023	Implement	RSC	Assistant Director - Housing Property (CPY01)
The relocation of VAEF from Homefield House is complete. The Service Accommodation Review, the relocation of Pyrles Lane Nursery, the relocation of Housing Repairs & Housing Assets, and the Staff Transport Plan are progressing and under control. The wider refurbishment of the Civic Offices and the relocation of the operations based at Hemnall Street have yet to start.						

<div> <div>?</div> <div>Performance indicator</div> <div>M10.1 Funding gap</div> </div>			
This indicator is intended to measure the savings on the Continuing Services Budget (CSB) actually achieved against those within the Medium Term Financial Strategy (MTFS) (General Fund only).	Is year-end target likely to be achieved?		Live from
	<div> <div></div> <div>Not applicable</div> </div>		2018
Manager	Good performance	Corporate or Partnership indicator	Annual trend
Assistant Director - Accountancy (RAC01)	Aim to Minimise	Corporate	?
Trend chart	Comments		
<div> <div> <div>2018/19</div> <div> <div>Years</div> <div>Annual</div> </div> </div> </div>	Q2 - Please note this is an annual measure		
	Corrective action		

2018/19		
Target	Value	Status
£1,453,000		



## Performance indicator M10.2 Annual Council Tax collection

What percentage of the District's annual Council Tax was collected? This indicator monitors the rate of collection of Council Tax. Quarterly targets and performance details for this indicator represent the cumulative total for the year to date (Previously RES003).

Is year-end target likely to be achieved?

Yes

Live from

2012

Scrutiny

RSC

Manager

Assistant Director - Revenues (RRE01)

Good performance

Aim to Maximise

Corporate or Partnership indicator

Corporate

Annual trend



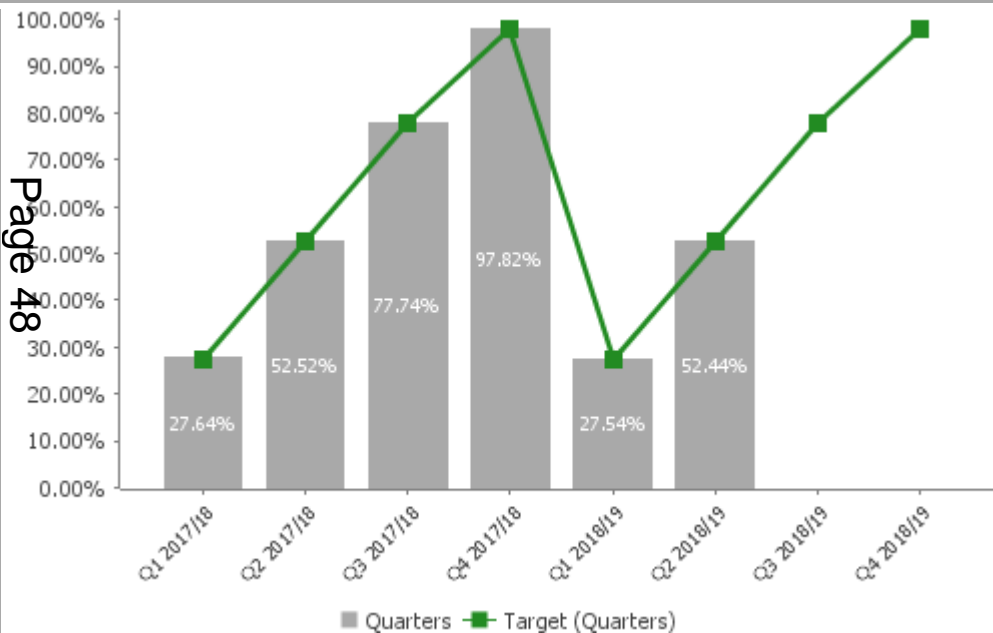
Trend chart

Comments

Q2 - Collection is 0.09% down on last year due to more accounts paying over 12 months than over 10 which reduces their equivalent monthly instalment.

Q1 - The performance is at or around the target

Corrective action



Q1 2018/19			Q2 2018/19			Q3 2018/19			Q4 2018/19		
Target	Value	Status	Target	Value	Status	Target	Value	Status	Target	Value	Status
27.55%	27.54%		52.54%	52.44%		77.84%			97.80%		





### Performance indicator **M10.3 Staff desks to head ratio**

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

Is year-end target likely to be achieved?



Not applicable

Live from

2018

Scrutiny

RSC

Manager

Good performance

Corporate or Partnership indicator

Annual trend

Head of Transformation

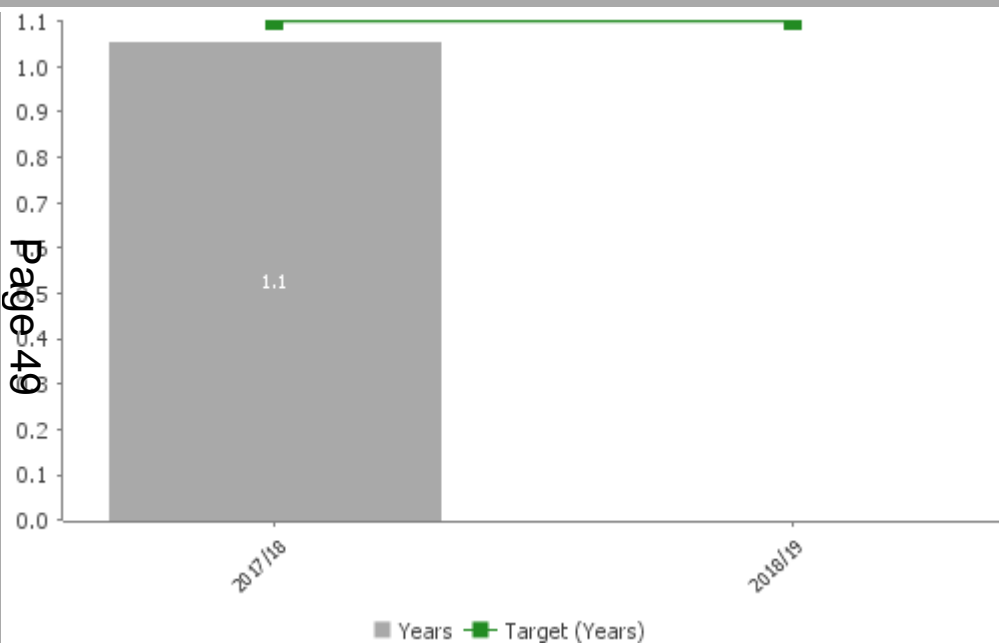
Aim to Minimise

Corporate



Trend chart

Comments



Q2 - Please note this is an annual measure due in Q4 2019

Corrective action

2018/19

Target

Value

Status

1.1



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

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

Is year-end target likely to be achieved?



Not applicable

Live from

2018

Scrutiny

RSC

Manager

Assistant Director - Accountancy (RAC01)

Good performance

Corporate or Partnership indicator

Annual trend

Aim to Maximise

Corporate

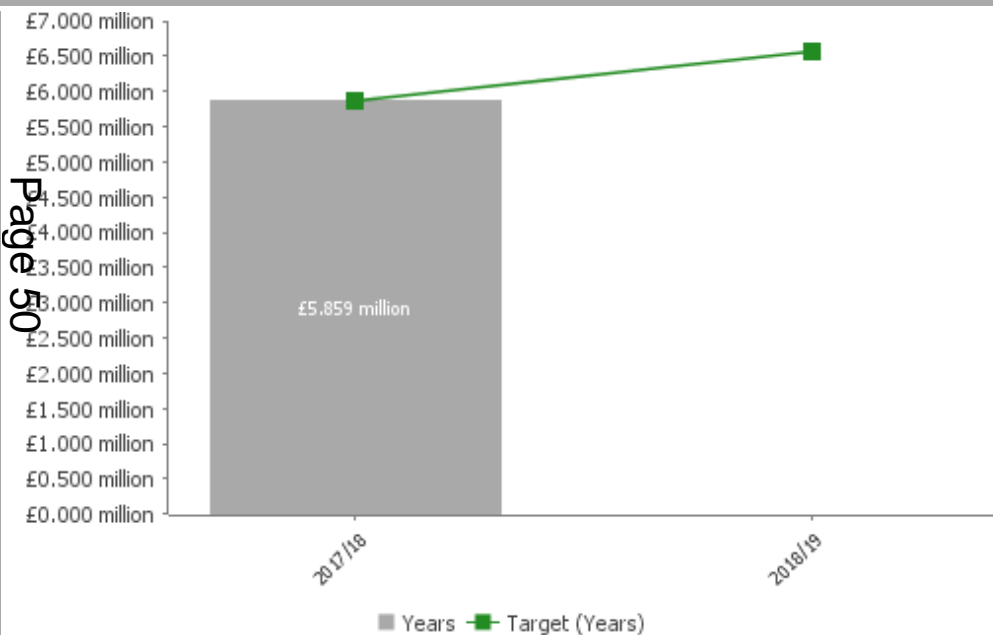


Trend chart

Comments

Q2 - Please note this is an annual measure

Corrective action



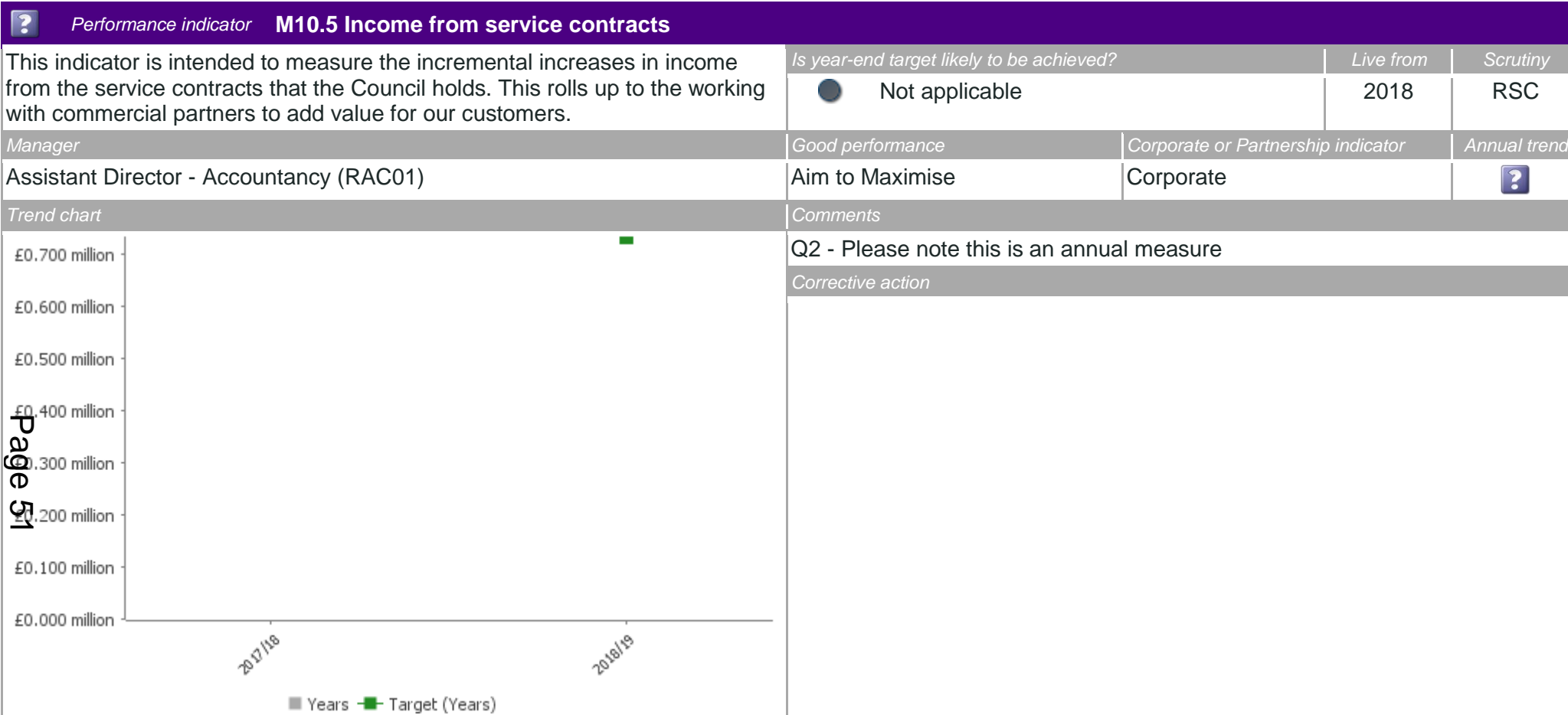
2018/19

Target

£6.560 million

Value

Status



2018/19		
Target	Value	Status
£0.734 million		

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

**Date of meeting: 4 December 2018**

**Subject:** Sickness Absence

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

**Committee Secretary:** V Messenger (01992 564265)

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

**That the Committee notes the report on sickness absence.**

### **Executive Summary**

This report provides information on the Council's absence figures for Q1 and Q2, 2018/2019; it includes the total number of days lost since 2016/2017, the number of employees who have met the trigger level, those who have more than 4 weeks absence and the reasons for absence.

The Council no longer has sickness absence as a performance indicator and no target has been set this year.

During Q1, 5.4% of employees met the trigger levels or above, 24.5% had sickness absence but did not meet the triggers and 70.1% had no absence. During Q2, 5.2% of employees met the trigger levels or above, 22.6% had sickness absence but did not meet the trigger levels and 72.2% had no absence.

Currently, under the Council's Managing Absence Policy there are trigger levels for initiating management action in cases of excessive sickness absence and managers are expected to deal with employees who meet the triggers in accordance with the policy.

### **Reasons for Proposed Decision**

To enable members to discuss the Council's absence figures and suggest proposals to improve them.

### **Other Options for Action**

For future reports the Committee may wish to include other information or receive fewer or no report to future meetings.

### **Report:**

#### **Introduction**

1. The last figures published by the Chartered Institute of Personnel and Development (CIPD) for 2016 show that the average number of days taken as sickness absence across all sectors is 6.3 days (2 days less than 2015). In public services the figure is 8.5 days and 5.2 days in private sector services. In local government the figure is an average of 9.9 days.
2. In previous reports members were provided with average number of days per employee for the Council and by Directorate. Unfortunately for this report officers are unable to provide the average number of days lost per employee due to on-going development of the HR/Payroll system. In addition, as the Council is moving to a new structure average figures

by Directorate have also not been provided for this report. It is the intention to provide these figures for future reports.

3. The actual number of days lost due to sickness absence is provided below in table 1. The number of days has increased since 2016/2017, however slightly better on 2017/2018.

Quarter/Year	2016/17	2017/18	2018/19
<b>Q1</b>	984	1102	1191
<b>Q2</b>	865	1427	1132
<b>Q3</b>	1411	1460	
<b>Q4</b>	1163	1566	

Table 1

4. Under the Council's Managing Absence Policy there are trigger levels for initiating management action in cases of excessive sickness absence. These are:
  - (i) during any 'rolling' twelve-month period an employee has had 5 or more separate occasions of absence; or
  - (ii) during any 'rolling' twelve-month period an employee has had at least 8 working days of any combination of un/self certificated, or medically certificated absences.
5. In addition to the above a manager should consider referring an employee to Occupational Health when an employee has been absent from work for at least one month if there is no estimate when they will be fit to return, or if this is unlikely to be within a reasonable period.

#### Long Term Absence 2014/2015 – 2018/2019

6. For this purpose long term absence has been defined as 4 weeks or over. During the year there was the following number of employees on long term absence:

	Q1	Q2	Q3	Q4	Total Average*
<b>2018/2019</b>	18	18			
<b>2017/2018</b>	12	20	18	18	17
<b>2016/2017</b>	8	8	10	10	10.75
<b>2015/2016</b>	12	14	7	17	12.5
<b>2014/2015</b>	15	16	21	19	17.75

Table 2

(\*This figure has been used as there could be the same employee in more than one quarter)

7. The number of employees recording long term absence has remained the same at 18 for the last 4 quarters. This continues to be higher than the number in 2016/17. The reasons for long term absences during 2018/2019 are set out in table 3.

Reason for long term absence	No of employees Q1	No of employees Q2	No of employees Q3	No of employees Q4
Non work related stress	2	2		
Work related stress	0	2		
Depression/anxiety	3	4		
Cancer	3	3		
Other musculoskeletal	7	5		

Heart, circulatory	2	0		
Gastro	1	1		
Neurological	0	1		
Eye	0	1		
Pregnancy	0	1		

Table 3

8. There has been a rise in the number of mental health related long term cases i.e. no work related stress and depression/anxiety, however work related stress has decreased slightly. The number of long term cases due to other musculoskeletal has doubled compared with the same periods in 2017/2018.
9. All of the long term sickness employees, in Q1 had one continuous period of absence, with the exception of two employees who had 2 and 5 occasions. In Q2, 16 employees had one continuous period of absence and 2 employees had two occasions. Table 4 provides further detail on the outcome of individual long term cases.

2017/18 Quarter	Resigned	Return to work	Warning	Dismissed	Redundancy	Still Absent	Ill-Health Retirement	Phased Return/Redeploy
Q1	1	6	0	0	0	11	0	0
Q2	1	4	0	0	0	13	0	0
Q3	-	-	-	-	-	-	-	-
Q4	-	-	-	-	-	-	-	-

Table 4

10. Of those who recorded absence, the breakdown of days lost to long term absence, those who met the trigger level and those below the trigger level are as follows;

Quarter	Long Term	Met Trigger	Under Trigger
Q1	9.3%	8.8%	81.9%
Q2	9.9%	8.9%	81.2%

Table 5

### Reasons for Absence

11. Appendix 1 shows the reasons for absence, including the number of days lost and number of employees for each reason in each quarter.
12. As a summary, compared to Q1 and Q2 of 2017/2018 there has been an;
  - Increase in the number of days lost due to mental health reasons of 20%
  - Decrease in the number of employees recording other musculoskeletal of 45%. However, the number of average days taken per employee increased by 78%
13. The Council has invested in a training programme to equip managers to deal with mental health issues and it continues to provide resilience training and access to counselling services at Occupational Health. HR Officers continue to work with managers to ensure that long term cases are managed sensitively and in a timely way.

### Numbers of Absent Staff

14. Table 6 shows that there were relatively consistent numbers of staff who had no absence and those that had absence during Q1/Q2. Over two thirds of staff had no absence which has been quite consistent over a number of years, however, the actual number of employees (not recording sickness absence) has reduced in this current period compared

to the same quarters last year.

<b>Quarter</b> (Based on 650 headcount)	<b>Staff with no absence</b>	<b>Staff with 7 days or less</b>	<b>Staff with 8 days or more</b>
1 – 2018/2019	70% (456)	24.5% (159)	5.4% (35)
2 – 2018/2019	72% (469)	22.6% (147)	5.2% (34)
3 - 2018/2019		-	-
4 - 2018/2019	-	-	-
<b>Quarter</b> (Based on 670 headcount)	<b>Staff with no absence</b>	<b>Staff with 7 days or less</b>	<b>Staff with 8 days or more</b>
1 – 2017/2018	67.8% (454)	27.9% (187)	4.3% (29)
2 – 2017/2018	67.8% (454)	27% (181)	5.2% (35)
3 – 2017/2018	65.5% (439)	28.2% (189)	6.3% (42)
4 – 2017/2018	63.5% (426)	29.3% (196)	7.2% (48)

Table 6

## Conclusion

- The actual number of days taken in Q2 shows an improvement on the same quarter last year. Long term absence cases have remained the same for the last 4 quarters at 18 cases. There has been an increase in mental health issues, but not in work related stress where there has been a slight decrease in the number of days compared to the same period in 2017/2018.

## Resource implications:

N/A

## Legal and Governance Implications

N/A

## Safer, Cleaner and Greener Implications

N/A

## Consultation Undertaken

N/A

## Background Papers

N/A

## Risk Management

Failure to manage sickness absence results in loss productivity and if it is significantly high could adversely affect the reputation of the authority.



## Reasons for Absence

2018 – 2019 Q1 and Q2

Appendix 1

	Stomach, liver, kidney, digestion; include diarrhoea, vomiting and other gastro illnesses	Other musculo-skeletal problems	Infections, including viral infections such as influenza, cold, cough and throat infections	Non Work related stress	Work related stress	Depression, anxiety, mental health and fatigue.	Heart, blood pressure, circulation	Cancer and related treatments	Neurological; headaches and migraines	Back problems	Eye, ear, nose and throat	Dental and oral	Genitourinary; menstrual problems	Chest, respiratory	Endocrine conditions i.e. diabetes, thyroid conditions	Pregnancy Related	Burns, poisoning/frostbite/hyperthermia	RTA
<b>Number of Days</b>																		
Q1	116.3	287	80.8	116	18	129	75	157	39.6	34	35	2	34	44.5	5	11	4	0
Q2	179	271	96.7	22	22	128	5	98	63.15	18.7	19	10	32	24	4	139	1	0
Q3	-	-	-		-	-	-	-	-	-	-		-	-	-	-	-	-
Q4	-	-	-		-	-	-	-	-	-	-		-	-	-	-	-	-
<b>No of Employees</b>																		
Q1	50	17	35	7	2	5	5	4	17	12	11	1	8	10	2	1	2	0
Q2	57	19	46	4	4	8	3	4	24	11	10	4	13	5	3	1	1	0
Q3	-	-	-		-	-	-	-	-	-	-		-	-	-	-	-	-
Q4	-	-	-		-	-	-	-	-	-	-		-	-	-	-	-	-
<b>Av No of Days per Employee</b>																		
Q1	2.3	17	2.3	16.6	9	25.8	15	39.3	2.3	2.83	3.2	2	4.3	4.5	2.5	11	2	0
Q2	3.2	14.3	2.1	5.50	5.5	16	1.7	24.5	2.6	1.7	1.9	2.5	2.46	.8	1.33	39	1	0
Q3	-	-	-		-	-	-	-	-	-	-		-	-	-	-	-	-
Q4	-	-	-		-	-	-	-	-	-	-		-	-	-	-	-	-
Compared with Q1 & Q2 2017/18	Slight increase	Less employees	Slight decrease in days	Overall decrease	Reduction in days	Increase	Decrease	Decrease	Increase	Decrease	New category	New category	Increase	Increase	Slight decrease	Increase	New category	

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

**Date of meeting: 4 December 2018**

**Portfolio: Finance**

**Subject: Quarterly Financial Monitoring**

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

**Democratic Services Officer: Vivienne Messenger (01992 56 4265)**

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

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

### **Executive Summary**

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

### **Reasons for proposed decision**

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

### **Other options for action**

No other options available.

### **Report:**

1. The Committee has within its terms of reference to consider financial monitoring reports on key areas of income and expenditure. This is the second quarterly report for 2018/19 and covers the period from 1 April 2018 to 30 September 2018. The reports are presented based on the directorate responsible for delivering the services to which the budgets relate and the budgets themselves are the original estimate. The reports are presented in the new directorate structure.
2. Salaries monitoring data is presented as well as it represents a large proportion of the authority's expenditure and is an area where historically large under spends have been seen. However due to its complexity this is still in the previous format, if possible a revised version will be issued in the new structure prior to meeting.

### **Revenue Budgets (Annex 1 – 9)**

3. Comments are provided on the monitoring schedules but a few points are highlighted here as they are of particular significance. The salaries schedule (Annex 1) shows an underspend of £140,000 or 1.1%. At the second quarter last year the underspend was 1.3%. There has been a reduction in the percentage underspend since quarter 1 which also occurred last year.
4. Resources is showing the largest underspend of £90,000, relating to the deletion of the post of Director of Resources and underspends on both Revenues and Housing Benefits. Neighbourhoods is showing an underspend of £32,000 partly because the Acting Chief Executive is allocated in part to Neighbourhoods as the postholder is effectively carrying

out both roles, there are also underspends in Grounds Maintenance, Planning Policy, Environmental Admin and Licensing. Governance shows an underspend of £23,000 due to the deletion of the post of Director of Governance and underspends on Legal and Elections. The Office of the Chief Executive is showing a saving of £8,000 also related to the split allocation of the Acting Chief Executive. Communities is showing an overspend of £13,000 as there are few vacancies there.

5. The investment interest is slightly above the target due mainly to the Council holding more cash than was expected. The increase in Interest rates will also have a positive effect going forward though not that significant.
6. Development Control income at Month 6 is well above expectations. Fees and charges were £139,000 higher than the budget to date and other pre-assessment charges are £23,000 higher than expected. There have been a number of larger schemes come through so far this year, and by month 7 income was just short of the level expected at month 9.
7. Building Control income was £13,000 higher than the budgeted figure at the end of the second quarter the issues experienced toward the end of the first quarter having been resolved. By the end of month 7 income had exceeded budget by £30,000. The opening position on the ring-fenced account is a surplus of £111,000 after a £4,000 deficit last year. The account is budgeted to show an in-year deficit of £87,000. This deficit will now be lower than expected and will be adjusted during the budget process.
8. Licencing income is below expectations. A significant number of renewals are due during month 7 and 8 which should bring licensing income back into line with the budget.
9. Income from MOT's carried out by Fleet Operations is below expectations by around £17,000. Overall the account is budgeted to show a deficit of around £33,000 which is around half the original deficit for the previous year.
10. Car Parking income is £6,000 above target at month 6, though there will be some income relating to the second quarter that was received in month 7, so in reality is slightly further above target than reported.
11. Local Land Charge income is £9,000 below expectations. The position has improved marginally by the end of month 7 so it is possible that the original budget might be met but this will be addressed when the budget is revised.
12. Having commented last time the Bed and Breakfast Income and expenditure had been relatively static, expenditure has begun to increase again and is now above expectation reflecting an increase in caseload. The actual numbers in such accommodation is still relatively low, currently around 21. There are a number of initiatives in place to stem the increase in bed and breakfast usage and these may well be having a positive effect in keeping the increase down but it is always difficult to measure the actual effect the initiatives are having.
13. Recycling credit income is still very slow and it has been difficult to get the County Council to agree the figures. Income was well behind expectation at month 6 and there is an adjustment necessary to 2017/18 figures also to be accounted for in 2018/19.
14. The waste contract expenditure has now fallen behind due to late invoicing and the leisure management contract shows a reduction in income due to some unexpected pension related expenditure. The full expected saving will now be achieved later than expected.
15. The main underspend on the HRA relates to special services and is a combination of late Biffa invoicing, reduced utility costs and caretaking and cleaning. Housing Repairs Fund

expenditure is surprisingly close to the profiled budget at £29,000 under.

16. Income from Development Control, Building Control and probably Car Parking look likely to exceed the budget. Others are less certain.

### **Business Rates**

17. This is the Seventh year of operation for the Business Rates Retention Scheme whereby a proportion of rates collected are retained by the Council. The proposals are that 75% of Business Rates be retained within the local government sector and we have now been told that this will take effect from the financial year 2020/21. In any event the proportions retained by each local government tier is likely to change and if additional resources are made available they will no doubt be accompanied by additional responsibilities. A bid was submitted to Central Government by all Essex authorities except Thurrock to become a 75% retention pilot for 2019/20 the outcome is expected as part of the Local Government settlement due on 6 December.
18. There are two aspects to the monitoring, firstly changes in the rating list and secondly the collection of cash.
19. The resources available from Business Rates for funding purposes is set in the January preceding the financial year in question. Once these estimates are set the funding available for the year is fixed. Any variation arising from changes to the rating list or provision for appeals, whilst affecting funding do not do so until future years. For 2018/19 the funding retained by the authority after allowing for the Collection Fund deficit from 2017/18 and the estimated various grants given to compensate the authority for the various reliefs is £4,350,000. This exceeds the government baseline of £3,210,000 by some £1,140,000. The actual position for 2018/19 will not be determined until May 2019.
20. Cash collection is important as the Council is required to make payments to the Government and other authorities based on their share of the rating list. These payments are fixed and have to be made even if no money is collected. Therefore, effective collection is important as this can generate a cash flow advantage to the Council. If collection rates are low the Council is left to finance these payments from working capital and so has to reduce investment balances. At the end of September the total collected was £18,353,775 and payments out were £16,562,559, meaning the Council was holding £1,791,216 of cash and so the Council's overall cash position was benefitting from the effective collection of non-domestic rates. This is an improvement on this point last year.

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

21. Tables for capital expenditure monitoring purposes (annex 10 -17) are included for the six months to 30 September. There is a commentary on each item highlighting the scheme progress.
22. The full year budget for comparison purposes is the Original Budget updated for carry forwards, due to 2017/18 slippage.

### **Major Capital Schemes (Annex 17)**

23. There are four projects included on the Major Capital Schemes schedule these relate to the House Building packages 2 and 3, The new Hillhouse Leisure Centre and refurbishment works at Loughton Leisure Centre. Annex 18 gives more detail. The variance reported is a comparison between the anticipated outturn and approved budget.

### **Conclusion**

24. With regard to revenue, Development Control income is going extremely well though

Land Charges and Fleet operations income are down currently though not significantly. Other income streams are broadly on track and expenditure is below budget which is often the case at this stage in the year.

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

### **Consultations Undertaken**

This report was presented to the Finance and Performance Management Committee during November, and an update will be provided to this committee to cover any comments made by that Committee.

### **Resource Implications**

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

### **Legal and Governance Implications**

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

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

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

### **Background Papers**

Various budget variance working papers held in Accountancy.

### **Impact Assessments**

#### Risk Management

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

## **Due Regard Record**

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

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

<b>Date / Name</b>	<b>Summary of equality analysis</b>
02/11/18	The purpose of the report is to monitor income and expenditure. It does not propose

Assistant Director of Resources	any change to the use of resources and so has no equalities implications.
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**SEPTEMBER 2018 - SALARIES**

<b><u>DIRECTORATE</u></b>	<b><u>2018/19</u></b>			<b><u>2017/18</u></b>		
	<b><u>EXPENDITURE</u></b>	<b><u>BUDGET</u></b>	<b><u>VARIATION</u></b>	<b><u>EXPENDITURE</u></b>	<b><u>BUDGET</u></b>	<b><u>VARIATION</u></b>
	<b><u>TO 30/09/18</u></b>	<b><u>PROVISION</u></b>	<b><u>FROM BUDGET</u></b>	<b><u>TO 30/09/17</u></b>	<b><u>PROVISION</u></b>	<b><u>FROM BUDGET</u></b>
	<b><u>£000</u></b>	<b><u>(ORIGINAL)</u></b>	<b><u>(ORIGINAL)</u></b>		<b><u>(ORIGINAL)</u></b>	<b><u>(ORIGINAL)</u></b>
		<b><u>£000</u></b>	<b><u>%</u></b>	<b><u>£000</u></b>	<b><u>£000</u></b>	<b><u>%</u></b>
CHIEF EXECUTIVE	453	461	-1.7	263	262	0.4
RESOURCES *	3,119	3,209	-2.8	2,872	3,013	-4.7
GOVERNANCE *	1,857	1,880	-1.2	1,860	1,819	2.3
NEIGHBOURHOODS *	2,660	2,692	-1.2	2,630	2,637	-0.3
COMMUNITIES *	4,034	4,021	0.3	3,917	3,964	-1.2
<b>TOTAL</b>	<b>12,123</b>	<b>12,263</b>	<b>-1.1</b>	<b>11,542</b>	<b>11,695</b>	<b>-1.3</b>

\* Actual agency costs are £813k to date, of this £649k is included in the actual expenditure above, as the remainder is covered by other existing budgets.

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

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual			Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000		%	
<u>Major Expenditure Items</u>								
Information & Communication Technology	1,515	1,115	1,121	874	6		1	The full year budget includes the cost of the councils Multi-Function Devices, Network Telephone & Mobiles, provision of the Service Desk and maintenance for all Systems in use. Expenditure in 2018/19 is higher than the comparative actual due to costs relating to the technology strategy which was approved in November 2017 as part of the transformation programme.
Bank & Audit Charges	117	15	7	25	-8		0	The expenditure in the second quarter of 2018/19 is lower than the budget to date due to the timing difference in the billing for the banking and cash collection charges. The decrease in expenditure compared to the prior year is the result of a change in the appointment of the council's external auditors who have not provided any services to date.
	1,632	1,130	1,128	899				
<u>Major Income Items</u>								
Investment Income	102	51	60	81	9		17	An improvement in rates received and average balances being higher than expected has given rise to additional investment income to date. The drop in value between years is due to the BIFFA loan being an annuity
	102	51	60	81				

	18/19 Full Year Budget £'000	Second Quarter				18/19 Variance Budget v Actual			<u>Comments</u>
		18/19 Budget	18/19 Actual		17/18 Actual	£'000	%		
		£'000	£'000		£'000				
<u>Major expenditure items:</u>									
Museum	124	81	90		77	9		11	The variance is due to ad hoc security for events and additional security to cover for a month at the museum store (Grangewood) while emergency building works were taking place.
Grants to Voluntary Groups	88	21	21		24	0		0	There are no variances.
Voluntary Sector Support	157	59	61		76	2		3	There are no major variances in year in the prior year the payment to Voluntary Action Epping Forest occurred in quarter 2 rather than quarter 3.
	369	161	172		177				

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items</u>							
North Weald Centre	215	115	109	111	-6	-5	Maintenance expenditure is a little below expectations at this point this also occurred last year.
Disabled Facilities Grants	630	315	176	198	-139	-44	The surveyors post became vacant during the last quarter which has led to a delay in schemes being assessed and referrals coming through from the County Council.
	845	430	285	309			
<u>Major income items:</u>							
North Weald Centre	976	605	541	554	-64	-11	Agreement of the lease relating to the National Police Air Service (NPAS) was delayed until September meaning income will be lower than expected.
Hackney Carriages	176	88	73	86	-15	-17	Vehicle license plate and Private Hire License plate income behind target though the initial 3 year licences issued in 2015 are due for renewal this month.
Licensing & Registrations	111	45	36	50	-9	-20	Liquor license income is currently below target again there should be an increase in income during quarter 3.
Building Control - Fee Earning	500	274	287	306	13	5	Fee income is now above target having been below target at quarter 1.
Industrial Estates	1,373	1,012	959	1,025	-53	-5	Brooker Road income behind target, and on Oakwood Hill plots there was a premium receipt for a new lease which has not been received to date.
Business Premises - Shops	2,204	1,653	1,589	1,644	-64	-4	There are a number of new leases currently being completed which is why income is currently down. The variance between years is due to additional rents received in 2017/18 due to re-negotiation of leases and some vacant properties this term.
Epping Forest Shopping Park	1,776	888	981	0	93	11	Accounting for "Rent-Free" periods has increased the income for the period to September 2018 and the estimate rectified at revised estimates time.
Land & Property	215	159	159	144	0	0	No major in-year variance. The variance between years is due to the revision in rent on the David Lloyd lease was completed during quarter 2 in 2017/18.
	7,331	4,724	4,625	3,809			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual			Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	Budget v Actual		
						%		
Major expenditure items:								
Refuse Collection	1,462	552	237	460	-315		-57	} Although paying via Direct Debit expenditure is not recorded until invoices are received from the contractor. These have been slow to materialise and hence low amounts of actuals against budget. This is due to be rectified from October 2018.
Street Cleansing	1,386	576	292	445	-284		-49	
Recycling	3,049	1,017	479	856	-538		-53	
Highways General Fund	62	21	23	54	2		8	No major variances. The variance between years is due to the highways panel expenditure payment made in April 2017.
Off Street Parking	479	214	224	224	10		5	No major variances.
Land Drainage & Contaminated Land	192	32	22	22	-10		-32	Timing of expenditure can be difficult to predict and like last year is slightly below expectations.
	6,630	2,412	1,277	2,061				

## DIRECTORATE FINANCIAL MONITORING - CONTRACT AND TECHNICAL (2)

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major income items:</u>							
Refuse Collection	80	40	45	41	5	11	Bulky waste income is slightly higher than expected.
Recycling	1,477	347	199	337	-148	0	Income is now being agreed with Essex County Council but we are still somewhat behind. There is also an adjustment relating to 2017/18 to be accounted for in 2018/19
Off Street Parking	1,368	647	653	625	6	1	No major in-year variances. The variance between years is due to an increase in the levels of Season Tickets issued and receipt of Penalty Charge Notices.
Leisure Contract	734	134	113	0	-21	-16	The in-year variance is due to issues surrounding the previous contractor being picked up by Places for People that were not in the discussions in letting the current contract. The actual for 2017/18 is not shown here as the Council made payments to the contractor in the first year to account for initial start up costs.
Fleet Operations MOTs	244	122	105	112	-17	-14	MOT income is below expectations and indeed down on the previous year too.
	3,903	1,290	1,115	1,115			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual			Comments
		18/19 Budget	18/19 Actual		17/18 Actual	Budget v Actual		
		£'000	£'000		£'000	£'000	%	
<u>Major Expenditure Items</u>								
Non-HRA Rent Rebates	289	145	143		149	-2	-1	The actual at quarter two in comparative to the budget and previous year indicates that the number of homeless people placed in Bed and Breakfast accommodation has remained relatively static. However there are a number of claimants awaiting assesment.
	289	145	143		149			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual			<u>Comments</u>
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000		%	
<u>Major expenditure items:</u>								
Building Maintenance	638	84	130	109	46		55	Expenditure fluctuates from one year to another due to Building Maintenance works being determined on a rolling five year programme which identifies and prioritises the works required to the non-office assets but generally works are undertaken in the latter part of the year which allows for preparation work to take place initially. Having said that expenditure is a little higher than expected due to timing differences.
Bed & Breakfast Accommodation	271	135	176	190	41		30	There has recently been an increase in caseload and consequently expenditure. There are currently 21 cases at the end of quarter 1 there were 19.
Voluntary Sector Support	17	0	0	17	0		0	Expenditure here occurred in month 6 during 2017/18, in 2018/19 expenditure does not show until month 7.
	926	219	306	316				
<u>Major income items</u>								
Bed & Breakfast Accommodation	280	140	176	188	36		26	Rents are higher than expected due to the increased caseload.



	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major Expenditure Items</u>							
Local Plan	1,235	186	136	303	-50	-27	Expenditure is lower than the budget and previous year comparative due to the pending outcome of the judicial review made by CK Properties (Theydon Bois) Limited in March 2018.
	1,235	186	136	303			
<u>Major Income Items</u>							
Development Control	1,208	609	771	481	162	27	Development Control fees received in the first half of the year have exceeded both the budget to date and the previous year's actual due to an increase in the number of planning applications received. This includes the 20% increase in Planning Fees which was implemented in January 2018 along with a number of high value fees from large developer proposals who may have previously been awaiting the publication of the Local Plan.  The £162,000 additional income received in comparison to the budget at the end of quarter one includes £139,000 in development control fees and charges and £23,000 in other pre assessment consultation fees.
Local Land Charges	164	87	78	96	-9	-10	The first half of 2018/19 has seen a decline in the amount of official searches received resulting in reduced levels of fee income compared to the previous year and the budget to date. The Local Land Searches service are currently looking at ways to maximise income which will ensure both viability and legality of any new measures introduced. However income will continue to fluctuate for the remainder of 2018/19 and going into the 2019/20.
Local Plan Implementation (Planning Performance Agreement Income)	40	20	63	0	43	215	It was anticipated that £40,000 of revenue would be received by the Council through developer contributions during 2018/19. The actual for the second quarter has already exceeded the full year budget because at this stage it is difficult to precisely quantify the cash flow of potential revenue streams which depend largely on the Local Development Scheme Timetable.
	1,412	716	912	577			

	18/19 Full Year Budget £'000	Second Quarter			18/19 Variance Budget v Actual		Comments
		18/19 Budget £'000	18/19 Actual £'000	17/18 Actual £'000	£'000	%	
<u>Major expenditure items:</u>							
Management & General	311	126	85	101	-41	-33	Expenditure is lower than expected in the first half of 2018/19 due to less spend on consultants and professional fees within the Policy & Management budget.
Housing Repairs	6,128	1,645	1,616	1,206	-29	-2	This underspend mainly relates to expenditure on responsive repairs (£11,000) and voids (19,000). The spend in quarter two last financial year, was lower due to delays in invoices from one of the contractors.
Special Services	1,129	480	326	373	-154	-32	The main underspend in this section relates to outstanding invoices from Biffa, currently 3 months behind. Other factors relate to utility costs and caretaking and cleaning.
	7,568	2,251	2,027	1,680			
<u>Major income items:</u>							
Non-Dwelling Rents	876	431	407	425	-24	-6	The reduction in income relates to garage rents.
Gross Dwelling Rent	31,324	15,662	15,579	15,759	-83	-1	The reduction in rental income from dwellings this financial year compared to 2017/18 is due to the rent decrease of 1% from April 2018, combined with reduced stock numbers due to the high number of Right To Buy sales this year. Void levels are around 0.75%, running broadly in line with expectations. With regard to new build, 65 properties were scheduled for 2018/19, however, the majority of these have been delayed. The profile for rents is based on the estimate, including the new build, averaged over the year.
	32,200	16,093	15,986	16,184			

**2018/19 DIRECTORATE CAPITAL MONITORING -**  
**BUSINESS SUPPORT SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
ICT General Schemes	16	8	9	1	13	The ICT schemes have now been split between general ICT schemes and schemes specific to the ICT strategy implementation. The only remaining scheme within this section relates to the upgrade of the Northgate Aspire Mobile Working which will help support the delivery of efficient and effective services including the ability to process live food hygiene reports around the District's restaurants. This scheme has faced minor delays due to supplier issues; however it is expected to be completed by the end of the financial year.
ICT Strategy Implementation	736	550	268	-282	-51	
Total	752	558	277			

**2018/19 DIRECTORATE CAPITAL MONITORING -  
COMMERICAL AND REGULATORY SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Epping Forest Shopping Park	459	459	209	-250	-54	<p>The construction of the Shopping Park was completed in June 2017 and all twelve units are now successfully let. The 2018/19 allocation agreed by Members relates to outstanding costs including letting agent's fees, legal costs for the production of heads of terms, capital payments to tenants and variations in the final account, some of which have already been paid. There have been additional costs to install an attenuation tank close to the units after it was discovered that some of the drains were blocked or had collapsed, in addition to repairs to the roof of the amenity block and other necessary remedial works which will continue to progress throughout the defect period; most of these additional costs are likely to be recovered from the retention. Overall, it is anticipated that the budget will be overspent by about £23,000, mostly due to professional fees, and will be highlighted within the Capital Review.</p> <p>The Council entered into a 153-year lease with a private developer, Higgins, to provide a mixed use development of retail and food and drink units on the ground floor with 64 residential units over the six floors above on the former Sir Winston Churchill public house site. The five investment units on the ground floor have now been handed over and the Council are incurring costs to modify the units and let them to potential suitors. Currently, one unit has been let with another being close to signing. Expenditure of £24,000 has related to legal and letting fees, however it is estimated that the costs to let the remaining units, in addition to building separation walls between the units and pillars for the unit entrances, will rise to around £140,000. A report seeking the necessary additional budget will be presented to the next Cabinet meeting.</p> <p>After planning permission was refused for the extension of the North Weald 240 Building to accommodate a vehicle compound, the budget was identified to install an automated gate at the Airfield after safety concerns were expressed. This installation will cost around £16,000, with the deficit in the budget of £3,500 being funded from a Revenue contribution, and will provide a more effective deterrent to trespassing after staff discovered unauthorised access by children; the gate will be in place by the end of the financial year.</p>
Landmark Building Development	0	0	24	24	0	
NW Airfield Automated Gate	12	0	0	0	0	
Total	471	459	233			

**2018/19 DIRECTORATE CAPITAL MONITORING -**  
**COMMUNITY AND PARTNERSHIP SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
CCTV Systems	72	8	10	2	25	Progress has been made on three CCTV schemes planned for implementation within the financial year. After facing lengthy delays due to the complexity of the designs, planning permission was granted in August for the replacement and extension of the current nine camera system along Epping High Street which will provide an additional twenty one cameras to previously unseen zones. The invitation to tender is scheduled for November and incorporates a strategy to decrease the current street furniture by amalgamating the CCTV columns with road signs. Although preliminary works will be completed by the end of the year, the commissioning date for this system is likely to slip into the 2019/20 financial year. A supplementary allocation of £14,000 was agreed in October as part of the Leisure Management Contract Finance to install a new CCTV system to cover the Hillhouse Leisure Centre and car parking area. Works along the Hillhouse shopping parade and estate will follow on from the Leisure Centre, which is likely to be completed by the end of October, and are scheduled to be commissioned by the end of the financial year; approximately a third of the CCTV cameras will cover the local housing estate and will be reclaimed from the HRA budget.
Car Park CCTV Systems	46	13	14	1	8	
Total	118	21	24			

**2018/19 DIRECTORATE CAPITAL MONITORING -**  
**GOVERNANCE AND MEMBER SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Transformation Projects	11	0	0	0	0	A small budget has been set aside for future feasibility works relating to the Council's Accommodation Review. The budget intended has been classified as revenue expenditure and therefore this budget will be removed from the Capital Programme.
Total	11	0	0			

**2018/19 DIRECTORATE CAPITAL MONITORING -  
CONTRACT AND TECHNICAL SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Hill House Leisure Centre	4,944	3,708	4,047	339	9	Please see major scheme tab for details on this scheme.
Loughton Leisure Centre	2,484	1,242	1,432	190	15	Please see major scheme tab for details on this scheme.
Epping Sports Centre	164	164	289	125	76	The works to renovate the Epping Sports Centre, including the conversion of two squash courts into a movement studio, the extension of the fitness suite, and the changing room refurbishment is now complete with only minor remedial works now outstanding. The overspend currently being reported is due to the worse-than-expected deterioration of the leisure centre where extra works, outside the original specification of the project, were necessary. This has caused increased costs amounting to £218,000, of which £93,000 has already been agreed by Members to be supplemented from savings at the Ongar Leisure Centre. A Cabinet report from the Leisure and Community Services portfolio has requested approval of the current overspend of £125,000 shown to be taken from savings identified at Loughton Leisure Centre, whilst a supplement of £24,000 has been requested for works relating to a new fire alarm system and replacement flooring in the sports hall and gym area. Places for People have reported that the significant cracks in the walls of the sports hall continues to be a concern with further structural movement and damage likely with heavy winter rainfall.
Hill House Development	130	0	0	0	0	The Council has entered into a Section 106 agreement to provide compensatory facilities as the development of the new Leisure Centre and Independent Living Scheme at Hill House will mean a loss of sports pitches within the area. The preliminary strategy has identified the improvement of pitches at Town Mead as a suitable option meeting statutory requirements and it is hoped that the works will take place in the current financial year.
Other Schemes	229	229	161	-68	-30	The grounds maintenance team have had the delivery of the six new ride-on mowers to replace an ageing fleet that was traded in for £26,500. The remaining budget has been earmarked to purchase a new truck before the end of the financial year at an anticipated cost of £32,000. During the previous financial year, the Flood Alleviation team had an additional budget allocation approved after there was an unexpected failure of the main control unit and pumps at Bobbingworth Tip. The labour and equipment costs relating to the rectification works are expected to be covered by the £19,000 budget in this financial year.
Car Parking Schemes	184	0	15	15	0	Across the District there are twenty Council-owned car parks which are being upgraded to include LED lighting. Last year Cornmill, Darby Drive and Traps Hill were all completed followed by Quakers Lane car park this financial year. However, the scheme has encountered delays in delivering LED lighting to the remaining car parks as no contractor can be found who will both source and supply the LED equipment and carry out the installations. To rectify the situation, a Cabinet report will be submitted by the Safer, Greener and Transport portfolio holder in November requesting further capital investment to appoint a consultant who will see the project through to fruition. Until a decision is made on the bid, no further works are anticipated. At the Oakwood Hill car park, the land owned by EFDC was identified, fenced off and all works completed. The additional bays that were planned on land deemed not to be owned by the Council have not been constructed and therefore the unspent budget of £33,000 will be available for consideration by Members as part of the Capital Review. Two separate planning applications have been submitted to start works to extend the Vere Road car park by a total of forty-one parking bays. The first application to demolish a small enclosed area of the car park and construct eleven bays has been granted, whilst the second application relating to the remaining thirty spaces is still pending. If approved, twenty-two garages will be demolished in order to construct these bays. Within the original specification only the thirty spaces were identified and therefore the works for the additional eleven bays have not been budgeted for; the need for additional resources here is coupled with the increased costs likely to occur if asbestos is found to be present in the garage buildings. It will be recommended within the Capital Review that the savings identified within the Oakwood Hill car park scheme are transferred to cover any additional costs arising at Vere Road.
Total	8,135	5,343	5,944			

**2018/19 DIRECTORATE CAPITAL MONITORING -  
HOUSING AND PROPERTY SERVICES**

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Town Mead Depot	107	0	-18	-18	0	Town Mead Depot needs to be fully operational by December 2018 to provide staff moving from Pyrles Lane with suitable accommodation. The depot has also been subject to an internal Health and Safety audit which has raised a number of issues which require compliance before the premises can be utilised. The most pressing issues raised from the audit, including fencing, CCTV and drainage works, have already been resolved whilst all remaining issues are being dealt with during the refurbishment of the depot which will commence shortly.
Works on Investment Properties	55	5	21	16	320	The improvement works to the investment property at 16 The Broadway, which included putting a waterproof liquid membrane over the existing felt, was completed early in the financial year, whilst the replacement of gutters and drainage to units at Oakwood Hill will commence later in the year. The remaining budget is a provision for costs where investment properties share common roofing with housing units. It is estimated that the General Fund element of these works will be in region of £81,000 if all planned works progress as anticipated; therefore, members will be asked to supplement the current budget of £25,000 with an additional £56,000 to cover this recharge within the Capital Review.
Active Planned Maintenance	292	70	87	17	24	There are various schemes for planned maintenance taking place this financial year across the Council's assets that do not fall under the Accommodation Review. Within the Civic Offices, new distribution boards have been purchased in addition to a new fire detection and warning system which is being extended to parts of the building which are not currently covered. The Council has also responded to the need for accommodating electric vehicles by installing two charging points in the Civic Office car park. At Homefield House, works to convert the former VAEF location into meeting rooms, training rooms and offices are now finished with the installation of a fire alarm system, rewiring and fibre connections all completed and the property now operational for staff to use. Replacement windows at the North Weald Gatehouse have been installed, the project to re-roof and refurbish chimneys and stacks at Waltham Abbey Museum has progressed well despite presenting challenges relating to asbestos and the listing of the property; it is anticipated the works at the Museum will be commissioned in early November with cost savings identified.
On-Hold Planned Maintenance	1,196	0	0	0	0	Many of the schemes in the planned maintenance programme relating to the Civic Offices have been placed on hold pending the outcome of the Accommodation Review, with expenditure limited to only minor design works. It should be recognised that deferring some of these projects for a long length of time increases the risk of failure. For the purposes of the Capital Review, it will be recommended that all currently on-hold schemes, budgeted at £1,196,000 will be carried forward to 2019/20.
Housing Estate Parking	422	19	19	0	0	The off-street parking schemes undertaken on Council-owned land is jointly funded between the HRA and General Fund. The scheme is currently under review with more information provided within appendix 15(C).
Total	2,072	94	109			

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

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Housebuild Phase 1	6	3	-26	-29	-967	<p>The Council took possession of 23 properties across four sites in Waltham Abbey in November 2017; these properties are currently in the defects liability period lasting two years. The £6,000 budget for 2018/19 represents the remaining budget from the anticipated outturn agreed by Members. During the last quarter, the Council received a payment of £66,000 from Broadway Construction's administrators after the company went into liquidation; this income will be used to offset the previously reported increase to the budget of £34,000 after being issued with an interim certificate of the final account from P.A Finlay. Inspections are currently being organised to identify any defects to the properties and consequently further costs may be generated; the Council is expected to receive the final account figure in November once these investigations have taken place. The latest estimate of the final account for the P.A. Finlay contract is £3,614,912.96.</p> <p>Please see major scheme tab for details on this scheme.</p> <p>Please see major scheme tab for details on this scheme.</p> <p>Following the decision made by East Thames to terminate its contract after 4-years as the Council's Development Agent, a new approach was developed to deliver phases 4 to 6 of the house-building programme, which will provide a more efficient service and de-risk some of the aspects of the programme that have so far resulted in additional costs across schemes that are on site. The new approach included building a Framework of Consultants, who have now been selected, with contracts currently close to being signed.</p> <p>Once signed, the schedule of works will proceed on the sites that have current planning approval. The pre-tender works such as site investigations, remediation works and demolitions will begin before the end of quarter 3 with the tenders being sent out once these works have been completed. The start on site date will be determined on receiving suitable tenders, but the Council is expected to commence works by June 2019 with an 18-24 months construction period for these sites. The schemes that have had planning permission rejected previously have been given authority to be resubmitted; with decisions on these sites still pending, works will start at a later date to those approved.</p> <p>The Council is one of a number of councils invited to bid for additional HRA borrowing approvals from the MHCLG to enable the Council to borrow additional money in order to fund its current and/or future Housebuilding Programme; specifically the proposed sites within phase 4 to 6. The Council is expecting to be notified in November as to whether or not the bid was successful.</p> <p>On the 18th May 2018 Linden Homes transferred the possession of eight properties at Barnfields to the Council. This scheme faced delays and failed to meet the initial handover date due to various defects and snagging issues; tenants have now been moved into these properties but are still finding issues which are being dealt with by the EFDC repairs team. Linden Homes' low performance in customer care has led to EDFC looking to take on the defect works and recovering some, but not all, of the costs from the retention held. The final account for this site is expected to be submitted in May 2019, with the current budget for this scheme is showing a slight overspend of £14,000 due to additional works outside the original specification; however, the defect works mentioned will likely increase this budget by a further £15,000.</p> <p>Finally, TSG has been selected as the contractor for the installation of the Norway House Pods project and will proceed with all pre-construction works, including ground and drainage works whilst waiting for the delivery of the pods. The majority of the works and installations will be completed by the end of the financial year; however it is unlikely that all six of the units will be operation this financial year. The installations of the pods will follow the pre-construction works. There is a caveat to the planning permission approved for these pods which means a further application for renewal will need to be submitted for the development after a 10-year period.</p>
Housebuild Phase 2	4,631	2,316	2,277	-39	-2	
Housebuild Phase 3	2,724	1,362	1,031	-331	-24	
Other Housebuilding	5,983	2,992	81	-2,911	-97	
Total c/f	13,344	6,673	3,363			



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

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	13,344	6,673	3,363			
Oakwood Hill Depot Extension	1,075	538	14	-524	-97	The expansion of the depot located at Oakwood Hill to accommodate the Welfare, Works Unit and Grounds Maintenance teams is continuing to progress. The consultants have now completed the concept designs of the Oakwood Hill Depot extension and are now progressing with a cost plan and technical designs for the build. A few variations to the original specification, including a new fence, gates and new electronic barriers, have been adopted within these designs due to multiple break-ins and security issues at the depot. Subject to planning permission being granted the provisional start date for these works will be January 2019. The Council have faced two issues with the planning application that has been submitted for the construction of a new car park to facilitate the increased number of employees at the depot. These issues relate to increased air pollution and increased footfall to the nature reserve in Oakwood where the car park will be located. The application will be submitted to the Plan South planning committee.
Heating & Rewire	2,484	1,242	731	-511	-41	The rewiring scheme is showing the largest underspend of the category due to the Section 20 notices, advising tenants of the work to be carried out, being sent out later than planned. This delay, coupled with the tenders for an additional rewiring contractor, has seen the scheme fall behind. Gas heating is also showing a large variance even though the large schemes at Hemnall House and Parsonage Court have been completed; the remaining sheltered housing heating installations are expected to be completed by the end of the financial year. Two contracts are currently out to tender which will increase the amount of Gas Heating works across the Council's properties in 2019/20 and going forward. The Mechanical Ventilation Heat Recover (MVHR) and communal water tanks schemes are both coming to an end, and therefore showing limited spend in quarter 1. These schemes will be reassessed, with the other underspends in the category, as part of the Capital Review in December.
Windows, Doors & Roofing	2,721	1,361	920	-441	-32	Roofing works to the Council's HRA properties have progressed within the quarter; however the tiled and flat roofing categories are still showing a significant underspend at the half year period. Asbestos was discovered within the tiles at the flat block in the Cobdens, which commenced in September, whilst the Section 20 process is delaying further tiled and flat roofing works. An invitation to tender is currently being advertised for new roofing contractors which should accelerate works. The balcony resurfacing scheme has had a minor delay due to a joint tender with flat roofing currently being prepared for the blocks at Ninefields for later in the year; however the scheme on the whole is currently on target. The housing assets team are also currently working on a tender for a new double glazing contractor which will be reviewed within the December Cabinet; works will continue to be limited until a contractor is in place. The installation of replacement front doors have been postponed after certain doors did not meet the fire or smoke resistance performance in the Building Regulations guidance.
Other Planned Maintenance	140	70	76	6	9	This category includes Norway House improvements, door entry system installations and energy efficiency works. Norway House improvements are ahead schedule with the installation of a new intruder alarm, bathroom improvements and new CCTV equipment (see Garages & Environment Works, appendix 15(C)). The remaining budget is expected to be used to replace a communal bathroom within the facility and install finger guard production units on all the communal doors. Door entry improvements works at Hillhouse and Neal Court have been completed;whilst consultation with leaseholders and tenants in two further blocks at Hornbeam Close and Hilltop Court are still progressing. The energy efficiency scheme will be reassessed as part of the Capital Review with most of the cavity walls installations completed earlier in the programme.
Total c/f	19,764	9,884	5,104			

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

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	19,764	9,884	5,104			
Kitchen & Bathrooms	1,751	876	825	-51	-6	The kitchen & bathroom replacement schemes have progressed well for the first half of the year, however the contract for these repairs expired in September. The housing assets team are currently in the process of tendering for a new contractor, with the possibility of one contract for both bathroom and kitchen replacements being investigated.
Garages & Environment Works	624	277	294	17	6	The off-street parking schemes at Torrington Road and Paley Gardens are now complete providing a combined total of 33 spaces to local residents. However, due to a lack of take up in permits around several street parking sites, the housing assets team will submit a viability report to Cabinet detailing whether any more sites should be identified for parking; until a decision has been made, there will be no further works. The budget for major repairs to garages has seen a decline in recent years due to the Council's garages across the district being identified for potential housebuilding sites. In 2018/19 there has been no spend on any garage repairs as many of the sites are expected to be demolished and converted into development land; some costs relating to reinforcing walls and garage doors to garages not currently identified will be spent within the year. All costs relating to demolishing and securing the sites will continue to be charged to the housebuilding schemes as per the CIPFA guidance. There is an overspend showing on the estate environmental works scheme due to changes of bin requirements which has meant that the Council will need to construct new bin stores and also add ramps to others. The replacement CCTV system at Norway House was completed earlier than anticipated with a significant increase in the number of cameras and equipment utilised at the site, amid security concerns. Designs have been completed and are ready to tender for the replacement system at Limes Farm Red Block, whilst the work planned for the three lifts areas at all the Limes Farm sites cannot proceed until the lifts themselves become operational.
Structual Schemes	2,475	1,238	886	-352	-28	The Council is currently awaiting portfolio holder approval a second contractor to assist with the increased structural works to the Council's housing stock. The Council has seen a rise in expenditure over the past 3 years due to the properties becoming old, problems with trees, subsidence and cracks in plaster and walls becoming an issue. Although the current budget for these works (£1,533,000) seems sufficient, with a 23% buffer showing against the profiled budget, the housing assets and accounts team will continue to monitor the costs throughout the year. The installation of new lifts at Limes Farm and Copperfield are scheduled for practical completion by March 2019.
Disabled Adaptations	487	2,434	165	-2,269	-93	There has been limited spend and a subsequent back log of disabled adaptations due to a combination of staffing capacity and tendering for two new contractors to assist with the increasing volume of disabled adaptations and extensions. The Council has now recruited a Disabled Adaptations Officer whilst the tenders for extensions and bathroom adaptations to Council properties have both been received and are awaiting portfolio holder approval. These delays have caused a reduction in expenditure for the first half of the year however, once the tendering process has been completed, the scheme is likely to be accelerated through the rest of the year.
Other Repairs & Maint	223	112	171	59	53	Feasibility studies were performed on two properties in Waltham Abbey and Loughton which are showing signs of structural movement, whilst a third report has been issued for a property in Waltham Abbey after cracks and structural damage have appeared due to close proximity of trees. There is currently an overspend to the profiled budget for asbestos removal which is linked to the increase in structural repairs and has led to additional costs to remove asbestos when found in Council properties.
Total c/f	25,324	14,821	7,445			

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

Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Total b/f	25,324	14,821	7,445			
Service Enhancments	349	175	28	-147	-84	This budget covers the front door replacement programme including leaseholder properties, Oakwood Hill enhancements and mobility scooter stores. The door replacement programme for leaseholders has been suspended for the same reasons as other door replacement schemes in other categories. After consultation with members of the Oakwood Hill Estate Residents' Association (OHERA) it was agreed that the best use of the £400,000 funding (shared by EDFC and ECC) is to repair and resurface the whole footpath on the estate with slurry sealing rather than a full reconstruction on 25% of the estate; some of which are the responsibility of the District Council (un-adopted footpaths) and some the responsibility of the County Council (adopted footpaths). These works were completed in October, however ECC have not yet invoiced the Council. The housing assets team had identified Pelly Court as a potential site for the construction of a new Scooter Store, however the scheme became unviable after consultations with the residents with limited take up of the stores expected.
Replacement Housing Vehicles	68	34	1	-33	-97	Four replacement vans are on order to replace their ageing fleet, and are awaiting a delivery date that is expected to be towards the end of this calendar year. Currently, only modifications to the roofing racks for the housing repair vehicles delivered last year have been expensed.
Work On Hra Leasehold Prop (Cr)	-300	0	0	0	0	This credit budget allows for work undertaken within the above categories on sold Council flats. Once identified an adjustment will be made at the end of the year.
Total	25,441	15,030	7,474			

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

REFCuS Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Parking & Traffic Schemes	272	0	0	0	0	The first phase review, which focused its attention towards twelve roads in Loughton, was completed last year; whilst the second phase will cover the larger Debden area. A meeting was held last year to discuss the designs and potential locations around Debden Station. The consultation and Traffic Road Order (TRO) was conducted by NEPP in October, with an advertising campaign inviting comment within 21 days. The time scales for this project will depend on the quantity and severity of objections to the TRO, each of which requires a personalised response and increases the likelihood of works slipping into the next financial year. Whilst the cost of the first phase was around £50,000, as the Debden review covers a much larger area, it is anticipated that costs will be commensurately larger.
Biffa Recycling Contribution	200	0	0	0	0	The Council entered into a ten year contract with Biffa in November 2014, which can be extended by another ten years. During the April Cabinet, Members considered a report from the Environment Portfolio setting out the difficulties arising from the Chinese Government decision to ban the import of paper produced by Material Recycling Facilities (MRF) in the U.K. This decision forced Biffa into improving their Edmonton MRF where Epping Forest recycling materials. As part of these works, Biffa requested the Council make a contribution to these costs of £841,000 based on the level of recycling within the contract and based on the remaining six years of the contract. To avoid the recycling wastes around the District ending up in landfill and putting further significant financial pressures on Biffa, Members agreed to a compromised contribution of £500,000 consisting of a one off capital of £200,000 and six yearly instalments of £50,000 to ensure stability of the waste management contract and guarantee end use of recycling materials collected in the District. The Capital contribution is expected to be made in November 2018.
Jack Silley Pavilion	0	0	210	210	0	In 2013, Members agreed a Section 106 contribution of £225,000 from the redevelopment of St John's School to be used to improve and redevelop sports and leisure facilities at Stonards Recreation ground in Epping. The contribution arose as a result of the development of the new Secondary School in Epping to compensate for the loss of playing fields and would be used to develop new or improved existing facilities within Epping. Improvement works to Jack Silley Pavilion was agreed with extensive works carried out including reroofing, changing room refurbishment and a café extension. The contributions across the 2017/18 and 2018/19 financial years have amounted to £233,000, an increase of £8,000, due to inflation since the contribution was agreed.
Total	472	0	210			

Capital Loan Scheme	18/19	Second Quarter		18/19 Variance		Comments
	Full Year Budget	18/19 Budget	18/19 Actual	Budget Vs Actual		
	£'000	£'000	£'000	£'000	%	
Private Sector Housing Loans	217	54	33	-21	-39	This scheme offers discretionary loans to provide financial assistance for improving private sector housing stock. After amendments were made to the Housing Assistance Policy, which forms part of the overall Housing Strategy 2017-2022, applications for private sector housing loans have reduced. Up to the end of quarter two, £33,000 has been spent on repayable assistance, with an additional £38,000 of approved cases where works are either on site or to go on site and be completed. The budget will be reviewed as part of the Capital Review with the intention of identifying some savings on this scheme.
Total	217	54	33			

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

<b>Hillhouse Leisure Centre</b>										
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)	Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
Jul-17	Nov-18	Jul-17	Nov-18	9,818	0	9,818	8,921	9,966	0.02	897
<p>In December 2014, the Council adopted a new Leisure and Cultural Strategy, which identified future need and the role that the District Council should play in the provision of opportunities for people to lead healthier lives, contribute to community wellbeing and provide social cohesion. At that time, leisure provision by the District Council primarily focused on four Sports/Leisure Centres at Ongar, Epping, Waltham Abbey and Loughton.</p> <p>The Council decided to replace the Waltham Abbey swimming pool, which had exceed its design life. A project team involving representatives from the District Council, Essex County Council and NHS England developed designs for a new community hub, comprising of a new leisure centre, health centre and independent living scheme for the elderly at Hillhouse. Outline planning permission for the whole community hub was granted on 30th November 2016 and in December 2016, Cabinet agreed to award Places for People Leisure Management Ltd preferred bidder status with an approved contract sum of £9,818,000.</p> <p>The facility specification included 80 station gym &amp; work out studios, a 6 lane x 25m main pool and teaching pool and a community room (including a café and pooling viewing area). The contract commencement date was 17th July 2017 with a contract period of 70 weeks. The building works at the new centre is on schedule despite lost days due to severe winter weather, utility supplier issues and multiple changes to the original specifications. The anticipated opening date for the centre remains as 20th November 2018 as it nears completion. The additional works and changes to the specification, including the construction of a steam room and sauna, improvement works in the public realm, electric vehicle charging points, digital marketing screens and enhanced CCTV coverage (see appendix 13), have meant that costs are expected to increase. Whilst part of the costs have been covered by compensatory savings a report was submitted to Cabinet in October outlining the need for an additional £148,000 to supplement the scope changes and other unforeseen expenses; this sum has been included within the anticipated outturn figures in the table above and the budget will be updated in the next Members monitoring report.</p> <p>Responsibility for the old Waltham Abbey Swimming Pool will be handed over to a housing contractor as soon as possible after the new centre has opened to enable demolition. A supplementary estimate of £275,000 was agreed by Members for the demolition of the old Leisure Centre in October, and this scheme will show up in the next quarterly monitoring review.</p>										

<b>Loughton Leisure Centre</b>										
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)	Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance Anticipated to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
Jan-18	Aug-18	Jan-18	Aug-18	3,018	0	3,018	1,966	2,947	-0.02	1,052
<p>As part of the new Leisure and Cultural Strategy, improvement works to Epping Sports Centre (ESC), Ongar and Loughton Leisure Centres (LLC) were also approved by Members. Improvement works to the LLC commenced on 19th January 2018 and included developing a brand new two-story, 150-station gym area; renovating the changing village; demolishing the crèche area "Octagon" building; re-designing the original gym into two studios, and re-designing the reception and customer viewing areas.</p> <p>Works commenced on 12th February 2018 with the demolition of the "Octagon" building. There were initial difficulties with live power cables discovered beneath the 'Octagon' building however, these were resolved without delaying the work. The refurbishment to the changing village started on 23rd April and took approximately 16 weeks to complete. The scope of the work to the changing village included more family changing cubicles, new lockers, better disabled facilities, new LED lighting and a new-and-improved shower area. The replacement of the changing village was phased to minimise disruptions to the centre users and to continue to access the pool facilities. Inevitably this led to an increase in complaints about cleaning but the contractor has revised the cleaning schedules to keep the problem to a minimum.</p> <p>The planned works within the original scope at LLC progressed according to schedule and are expected to ultimately show a saving of £125,000</p> <p>There are however additional costs from works outside the original specification amounting to £53,500, including additional security measures to combat a rise in criminal incidents and an air conditioning upgrade. A report from the Leisure and Community Services portfolio was submitted to Cabinet detailing these costs with a recommendation that the net effect of this (£71,500) is reduced from the current budget at LLC and transferred to cover the additional costs relating to ESC as indicated in appendix 13; this adjustment is reflected in the anticipated outturn sum in the table above.</p> <p>The extension to the front of the centre is largely completed subject to snagging works and final inspections. There are also some outstanding external works to the footpaths and planted areas were completed before the refurbished centre re-opened to the public on the 16th August 2018 with a formal opening ceremony on the 8th September 2018. Actual expenditure incurred to 30 September 2018 was £1,996,000 which includes an outstanding retention of £46,000.</p>										

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

Housebuilding Phase 2										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre- Tender Forecast £'000 (A)	Updates £'000 (B)	Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
Feb-16	Mar-18	Mar-16	Jul-19	9,110	2,465	11,575	9,923	11,728	1%	1,652

Phase 2 of the Housebuilding Programme achieved planning permission in September 2015 for 51 new affordable homes at Burton Road Loughton. The Contract was awarded to Mullalley & Co Ltd following a competitive tendering exercise in November 2015 ; the contract commencing in March 2016 had a pre-tender forecast figure of £9,110,000 and was adjusted to a sum of £9,847,179 based on a design and build contract with a contract period of 105 weeks.

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

Mullalley & Co Ltd took possession of the site in March 2016 with work commencing in July 2016, having discharged the planning conditions and completing the detailed designs. In order to satisfy the planning conditions around ground contamination, trial excavations revealed contaminated ground below the garages and the forecourt slabs. As a result of this, additional works were required and delays of around 23-weeks have been claimed by the Contractor. Their entitlement, and other costings, were evaluated by Pellings, the Council's Employers Agents, and an extension of time was granted taking the completion date to 25 June 2018 and the anticipated contract sum to £10,534,355. The extension of time included a loss and expense sum of £680,000 comprising of: £443,000 for the contamination remediation works; and £237,000 for numerous utilities and cable reconnections.

The contractor subsequently forecasted a further 20-week delay onto the contract time with a new proposed finish date of January 2019 and a further increase in the contractor's sum to £10,851,761 for works relating to the service utility costs, offsite work and contaminated material and remediation due to the extent of the works being greater than first expected. This brings the total anticipated expenditure, including fees, to £11,728,000 pending an update of fees as part of the Capital Review.

On the 17th August an equipment failure led to hot tar overheating and catching fire; the fire began on the third floor roof of the four story block of 19 apartments before spreading and was contained in the third and fourth story. The site was still being constructed and none of the units had tenants living in them. The main damage was to the windows and doors of the third and fourth stories, none of the utility installations had any damage to them. There would be no further delay to the 17 town houses and the block of 15 apartments, which should continue to be completed in January 2019. However, the block of 19 apartments with fire damage will fall behind schedule and is likely to be ready for handover in July 2019. The liability of this damage lies with the contractor and the Council are not expecting any further costs relating to this damage.

The costs and dates highlighted in the report reflect the delays to the construction contract and an extension of time that has been granted under the contract. Actual expenditure incurred to 30 September 2018 was £9,923,000, which includes an outstanding retention of £461,000 and a commitment of £241,000.

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

Housebuilding Phase 3										
Original Start on Site Date	Original Finish Date	Actual Start on Site Date	Proposed Finish Date	Original Pre-Tender Forecast £'000 (A)	Updates £'000 (B)	Approved Budget £'000 (C)	Actual Expenditure to Date £'000 (D)	Anticipated Outturn £'000 (E)	Variance to Approved Budget £'000 (E-C)/Cx100	Approved Budget Underspent to Date £'000 (C-D)
May-17	Sep-19	Apr-18	May-20	7,502	46	7,548	6,016	8,516	12.8%	1,532
Works across each of the Phase 3 house-building development sites commenced, based on the following:										
Scheme	Original Contract Sum	Anticipated Final Account	Variation %	Start Date	Duration	Initial Estimated Completion Date	Revised Estimate Completion Date			
Bluemans End	£753,034	£920,000	22.17%	02/05/2017	36 Weeks	06/03/2018	Completed 26/03/2018			
Parklands	£716,757	£766,348	6.92%	18/04/2017	56 Weeks	24/05/2018	Completed 10/10/2018			
Springfields & Centre Avenue	£1,408,126	£1,648,183	17.05%	18/04/2017	60 Weeks	21/06/2018	26/11/2018			
Stewards Green	£752,340	£852,921	13.37%	22/05/2017	34 Weeks	07/03/2018	26/11/2018			
London Road	£235,695	£257,643	9.31%	19/06/2017	36 Weeks	07/03/2018	Completed 07/03/2018			
Centre Drive	£300,285	£374,613	24.75%	09/10/2017	36 Weeks	13/06/2018	12/11/2018			
Queens Road	£2,320,493	£2,692,776	16.04%	15/10/2018	82 Weeks	11/05/2020	06/07/2020			
<p>The properties at Bluemans End and London Road were both completed in March 2018 providing 5 affordable housing units; the final account figure for both schemes will be produced half way through the defects liability period, in March 2019. The scheme at London Road has had increased costs in excess of the budget amounting to £17,406 due to the additional works, including additional fencing and landscaping works, and a provision of a photovoltaic system to assist in the heating of water, which ensured the property met the Sustainable Homes Level 4 code.</p> <p>An agreement has now been put in place regarding the lease needed to divert power cables and reposition the electrical sub-station at the Queens Road site. Since then, the Council received confirmation of asbestos which indicates further delays and costs to the scheme. The garage roofs have been removed in a controlled manor, however further asbestos has been found under the garages after the slab had been broken up; the debris in the hard core used in the sites foundation has this asbestos present in it and therefore the significant parts of the site has been contaminated. The Council assessed the options available to reinstate the ground and finalise the works at Queens Road which included the possibility of retendering or negotiating an increased contract sum with the contractor. The penalties and costs to retender were deemed too high and therefore a compromised sum was agreed with the current contractor at an additional cost to the Council of £125,000; this figure has been included in the anticipated outturn. The ground work will commence at the end of October whilst the start on site for the construction works will commence of the 7th January with an 82-week construction period.</p> <p>The site at Stewards Green Road has been completed but has faced delays due to the discovery of asbestos, cross contamination of the original site, and drainage issues. The cost implications for these works are not yet known as the works could be small in nature or may need a complete remediation of the site which could cause considerable delays and costs. The Council will assess options for recovering these costs once the asbestos test results are returned at the end of November. Further internal testing and snagging issues will need to be completed before the units become ready to let. The four properties at Oaklands have been handed over, whilst each of the sites at Centre Avenue, Centre Drive and Springfields have had extensions of time certificate granted for their respective works. The estimated completion dates for all the sites date have been revised to September 2018. Actual expenditure incurred to 30 September 2018 on all sites within Phase 3 was £6,016,000, which includes outstanding retentions of £162,000.</p>										

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

**Date of meeting: 4 December 2018**

**SCRUTINY**

**Portfolio: Finance**



**Subject: Draft General Fund CSB, DDF and ITS lists and Savings Update**

**Officer contact for further information: Peter Maddock – (01992 - 564602)**

**Democratic Services Officer: Vivienne Messenger - (01992 - 564265)**

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### **Recommendations**

**To note the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) schedules.**

### **Executive Summary**

The report provides the first draft of the Continuing Services Budget (CSB), District Development Fund (DDF) and Invest to Save (ITS) Schedules for 2019/20.

### **Reasons for proposed action**

Members are asked to note the first draft of these schedules and make comments as appropriate.

### **Other options for action**

No other options applicable.

### **Report**

1. The Financial Issues Paper was considered by this Committee at its meeting in July. The report highlighted a number of financial uncertainties and risks facing the Authority including the reductions in Central government funding, Retention of Business Rates, Welfare reform and Transformation.
2. The Medium Term Financial Strategy (MTFS), which forms part of the Financial Issues Paper, identified that savings of £600,000 were required over the forecast period. The savings are required in 2020/21 and 2021/22 and were identified at £300,000 in each year over and above those previously identified on the growth/savings lists. There is also the need to find £2,500,000 (£1,700,000 General Fund, £800,000 HRA) savings or additional income from the implementation of the people strategy spread over three years beginning in 2018/19.
3. The People Strategy implementation is now underway and an indicative timetable for the process has been formulated. There is now clear momentum behind this process but it is possible that the £437,000 General Fund Target will not be achieved by 31<sup>st</sup> March and some savings originally expected in 2018/19 will fall into 2019/20. There is also a very challenging General Fund target in 2019/20 of £1,058,000. Cabinet have also agreed a change to the parking tariffs which are expected to be implemented by March 2019 which should generate additional ongoing income of at least £300,000.
4. Income from the Shopping Park is showing as a lower figure than previously on the

lists as additional income was accounted for in 2017/18 and therefore forms part of the opening CSB figure rather than in year growth but overall the total CSB is unchanged because of this. There have been a number of other movements within the CSB but broadly the totals over the period of the MTFS last year compared to this are similar.

5. The lists themselves represent bids for growth for 2019/20 and will be submitted to Cabinet and Council during February when if successful will form part of the 2019/20 budget.
6. There has been an exercise over recent years to remove budgets where traditionally underspends have been seen and it is intended to continue with this exercise as part of the budget process. In recent years success has been more limited but it isn't a particularly time consuming exercise.
7. When the Outturn reports were considered during June the DDF programme for 2018/19 plus the carry forwards from 2017/18 put the fund into deficit at the end of 2018/19. However, the DDF is now in balance for 2018/19 mainly due to slippage on the Local Plan budget and a number of other movements so assuming there are no further significant bids should stay solvent over the forecast period.
8. The remaining balance at the end of 2017/18 on the Invest to Save fund has been fully allocated. If further bids come forward the fund will need to be replenished from the General Fund which is currently not allowed for in the MTFS.
9. The schedules of CSB growth/savings, DDF and ITS expenditure are attached and these are at Annexes 1, 2 and 3. Work is on-going on these lists and this represents the position so far. There are likely to be further changes as the budget progresses and things become a bit clearer. An updated list will be tabled at the meeting if there have been any significant changes since the agenda was published.
10. Clearly the emphasis in this budget cycle will again need to be on CSB savings rather than growth. There will inevitably be significant financial challenges ahead and whilst the position for 2019/20 will hopefully be confirmed on 6<sup>th</sup> December the years after that are far less certain. The figures generally need to be viewed in the context of this being quite early in the budget preparation process and will clearly need to be revisited over the next two months or so as the budget comes together.

### **Consultations Undertaken**

This is the first draft of the CSB, DDF and ITS schedules. Consultations with spending officers regarding their budgets are ongoing at the moment but apart from this, further consultation will take place later in the budget cycle.

### **Resource Implications**

The schedules represent potential additions and reductions to the budget depending on decisions made during the budget process.

### **Legal and Governance Implications**

The preparation of budgets well in advance of the financial year to which they apply, enable sound financial planning to take place. They subsequently provide a basis against which financial monitoring can take place during the year in question.

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

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

## Background Papers

Various budget working papers held in Accountancy.

## Impact Assessments

### Risk Management

The setting of the budget has an impact on all areas of the Council. There is a risk that the budget might be set at an unaffordable level. However, setting guidelines early in the process means that the level of budget that is acceptable is known in advance.

### Equality and Diversity:

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

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

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

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

## Due Regard Record

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

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

Date / Name	Summary of equality analysis
5/11/18	There are no equality implications arising from the recommendation of this report.
Assistant Director of Resources	The report contains growth and savings proposed for the Revised 2018/19 and Original 2019/20 budget. The most significant items will have been the subject of a Cabinet report which would have considered any equality implications as part of that report.

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## CONTINUING SERVICES BUDGET - GROWTH / (SAVINGS) LIST

Directorate	Service		Estimate 2018/19 £000's	Revised 2018/19 £000's	Estimate 2019/20 £000's	Estimate 2020/21 £000's	Estimate 2021/22 £000's	Estimate 2022/23 £000's
Chief Executive	Corporate Policy Making	Annual Customer Satisfaction Survey	20	20				
	<b>Total Chief Executive</b>		<b>20</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Business Support	Bank and Audit charges	Reduction in fees	(5)	(10)				
	Finance Miscellaneous	Salary Savings from People strategy	(437)	(437)	(758)	(200)		
	Human Resources	Apprentices	15	15				
	ICT	Printer Migration	(3)	(3)				
	ICT	Technology Strategy	373	373				
	<b>Total Business Support</b>		<b>(57)</b>	<b>(62)</b>	<b>(758)</b>	<b>(200)</b>	<b>0</b>	<b>0</b>
Commercial & Regulatory	Land and Property	Epping Forest Shopping Park	(1,562)	(1,043)	(163)			
	Land and Property	Broadway Gate development	(50)	(50)	(200)			
	Land and Property	Rental Income - Shops	(61)	(61)				
	North Weald Airfield	Additional rental income	(113)	(32)	(91)			
	<b>Total Commercial &amp; Regulatory</b>		<b>(1,786)</b>	<b>(1,186)</b>	<b>(454)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Community & Partnership			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Contract & Technical	Leisure Management	Savings from New Contract	(944)	(844)	(266)	(50)	(50)	
	Off Street Parking	New Chargeable Parking Spaces (ITS)	(17)	(17)				
	Off Street Parking	Additional Staffing	13	13				
	Off Street Parking	New Management Contract (ITS)	26	26				
	Off Street Parking	Vere Road Pay & Display (ITS)	(7)	(7)				
	Off Street Parking	Additional income			(300)			
	Waste Management	Contract Payments		50				
	<b>Total Contract &amp; Technical</b>		<b>(929)</b>	<b>(779)</b>	<b>(566)</b>	<b>(50)</b>	<b>(50)</b>	<b>0</b>

**Directorate**

## Cashiers

Reduction Credit Card Fees

### Non Hra Rent Rebates

<i>Estimate</i>	<i>Revised</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>	<i>Estimate</i>
2018/19 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
15	25				
29	29				
4	4				
<b>48</b>	<b>58</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

0	0	0	0	0	0
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(210)	(210)	
	250	28
	(250)	(28)
34	34	
15	15	
15	15	
27	27	

(119)	(119)	0	0	0	0
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18	9	9	
200		200	
1,125	1,125	202	531
22	22	31	
		350	

(1,453)	(907)	(986)	281	(50)	0
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## DISTRICT DEVELOPMENT FUND

Directorate	Service	Description	Estimate	B/F from 2017/18	Revised	Estimate	Estimate	Estimate	Estimate
			2018/19 £000's	2018/19 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
Chief Executive	Corporate Fraud Investigation	Fees & Charges	(27)		(27)				
	<b>Total Chief Executive</b>		<b>(27)</b>	<b>0</b>	<b>(27)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Business Support	Finance Miscellaneous	Implementation of People Strategy	1,040	32	950	122			
	ICT	Technology Strategy	133		133	24	24	24	
	People Team	Additional Staffing		36	36				
	Sundry Non Distributable Costs	Emergency Premises Works	5			5			
	Sundry Non Distributable Costs	St Johns - Non-Domestic Rates & Security	17		17				
<b>Total Business Support</b>			<b>1,195</b>	<b>68</b>	<b>1,136</b>	<b>151</b>	<b>24</b>	<b>24</b>	<b>0</b>
Commercial & Regulatory	Land and Property	Epping Forest Shopping Park empty rates	81		120				
	<b>Total Commercial &amp; Regulatory</b>		<b>81</b>	<b>0</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Community & Partnership	Economic Development	Town Centres Support	60	13	60	13			
	Economic Development	Economic Development Strategy		8	9				
	Economic Development	Smart Places		87	87				
	Safer Communities	CCTV Trainee Assistant post	23		23				
	Safer Communities	Contribution for Police Officers	215		215	215	215		
	Safer Communities	Security Costs		12	12				
	Youth Council	Enabling Fund	8		8				
	Grant - Citizens Advice Bureau	CAB Debt Advisors	4		34	34			
<b>Total Community &amp; Partnership</b>			<b>310</b>	<b>120</b>	<b>448</b>	<b>262</b>	<b>215</b>	<b>0</b>	<b>0</b>
Contract & Technical	Car Parking	Feasibility Additional Parking Levels				40			
	Car Parking	Changes to Traffic Orders			30				
	Contaminated Land & Water Quality	Contaminated land investigations	72		42	50			
	Countryside	BRIE - SLA	4		4				
	Highways General Fund	Local Highways Panel			100				
	Leisure Management	New Management Contract			20	(266)	(444)	(259)	
	Parks & Grounds	Open Spaces - Tree Planting	10	(1)	9				
	Parks & Grounds	Tree Service - Oak Tree Planting	3		3				
	Parks & Grounds	Roding Valley Development - Woodland Planting	20	10	30	20			
	Parks & Grounds	Roding Valley Dev. - Demolition of Building Roding Lane		7	7				
	Parks & Grounds	Survey of River Roding erosion	8		8				
	Waste Management	DCLG recycling reward scheme	85	18	33	70			
	Waste Management	Reduction in recycling income	150	(75)	75				
<b>Total Contract &amp; Technical</b>			<b>352</b>	<b>(41)</b>	<b>361</b>	<b>(86)</b>	<b>(444)</b>	<b>(259)</b>	<b>0</b>
Customer	Cashiers	Replacement of kiosk Licence fees		(5)	(5)				
	Council Tax Collection	Collection Investment	(47)		(47)				
	Council Tax Collection	Local Council Tax E-Services	9	(2)	7				
	Housing Benefits Administration	Hardship & Compliance	(80)		(80)				
	Housing Benefits Administration	Benefits Specific Grants - Data Matching	27	8	35	5	5	4	
	Housing Benefits Administration	Benefits Specific Grants - Unallocated		9	9	20			
	Housing Benefits	Hardship & Compliance - Benefits Officers	56		56	56	13		
	Housing Benefits	Benefits Specific Grants - Agency Staff / Equipment New	44	19	40	23			
	Revenues	Temporary Additional Staffing	177	84	177	84			
<b>Total Customer</b>			<b>186</b>	<b>113</b>	<b>192</b>	<b>188</b>	<b>18</b>	<b>4</b>	<b>0</b>

## DISTRICT DEVELOPMENT FUND

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Directorate	Service	Description	Estimate 2018/19 £000's	B/F from 2017/18 2018/19 £000's	Revised 2018/19 £000's	Estimate 2019/20 £000's	Estimate 2020/21 £000's	Estimate 2021/22 £000's	Estimate 2022/23 £000's
Governance & Member	Elections	Costs Re District Elections	139		119				
	Electoral Registration	Individual Registration Costs	36	9	40	5			
	Electoral Registration	Individual Registration Grant	(18)		(17)	34	31		
	Transformation	Transformation Staffing	157		115	27			
	Transformation	Transformation Prototype Fund		29	29				
Total Governance & Member			314	38	286	66	31		
Housing & Property	Building Maintenance - Non HRA	Planned Building Maintenance Programme	215	38	253	160	123	23	
	Homelessness	Legal Challenges	10	15	10	15			
	Homelessness	Homelessness Reduction Activities	50	64	114	50	34		
	Homelessness	Homelessness Reduction Act Grant	(41)		(41)	(48)			
	Homelessness	Homelessness Data Grant		9	9				
	Homelessness	Flexible Homelessness Grant : Incentives for Genesis		8	8				
	Homelessness	Flexible Homelessness Grant :Zinc Arts		2	2				
Total Housing & Property			234	136	355	177	157	23	0
Planning	Development Control	Pre Application Consultation Fees	(5)		(5)				
	Development Control	Strategic Implementation / Planning Performance	278	100	128				
	Development Control	Developer Contributions - Strategic Implementation	(40)						
	Development Control	Agency Staff		11	11				
	Development Management	Administrative Assistant	17		17				
	Development Management	Document Scanning	113	29	142				
	Development Management	Casual Staff Re Scanning / Indexing Building Control Files	5	5	10				
	Enforcement / Trees & Landscape	Agency Staff		5	5				
	Forward Planning	Local Plan	946	272	777	841			
	Forward Planning	Garden Town Initiative	432	527	600	550	155		
	Forward Planning	Garden Town Initiative - Grant			(291)				
	Forward Planning	Community Housing	21	54	50	25			
	Forward Planning	Brownfield Register		17	17				
	Local Land Charges	Local Land Charges Officer	14		5				
	Local Land Charges	Agency Staff		7	16				
	Planning Appeals	Contingency for Appeals	32	9	41	21			
	Total Planning			1,813	1,036	1,523	1,437	155	0
Total Service Specific District Development Fund			4,458	1,470	4,394	2,195	156	(208)	0
	New Homes Bonus							(34)	
	Council Tax Collection	Technical Agreement Contributions	(400)		(350)	(280)	(210)	(210)	
Total District Development Fund			4,058	1,470	4,044	1,915	(54)	(452)	



## INVEST TO SAVE

				Estimate 2018/19 £000's	B/F from 2017/18 2018/19 £000's	Revised 2018/19 £000's	Estimate 2019/20 £000's	Estimate 2020/21 £000's	Estimate 2021/22 £000's	Estimate 2022/23 £000's
<b>Commercial &amp; Regulatory</b>	North Weald Airfield	Extension to Vehicle Compound	Capital	12						
				<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Contract &amp; Technical</b>	Car Parking	Replacement LED lighting	Capital	100	1	15	86			
	Car Parking	New Car Parks	Capital	20	13					
	Car Parking	ICT infrastructure	Capital							
	Car Parking	Lea Valley pay & display	Capital							
	Car Parking	Vere Road Pay & Display	Capital	41	5	83				
				<b>161</b>	<b>19</b>	<b>98</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Governance &amp; Member</b>	Transformation	Behavioural Insights project	Revenue	21	4	25				
	Transformation	Service Accomodation Review	Revenue			72				
				<b>21</b>	<b>4</b>	<b>97</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing &amp; Property</b>	Homelessness	Rental Loans Scheme	Revenue	30		26				
				<b>30</b>	<b>0</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
				<b>224</b>	<b>23</b>	<b>221</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>

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